The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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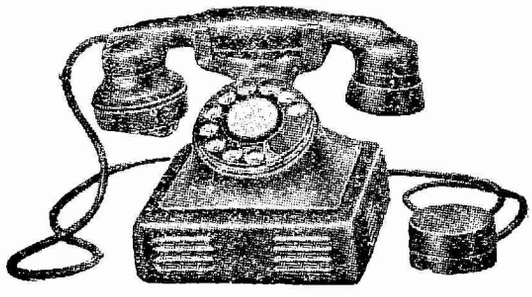

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CONTRIBUTING EDITORS

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CHARACTER OF OPPOSITION TO U. S. COTTON-WHEAT LOAN

THE chairman of the American Reconstruction Finance Corporation, Jesse H. Jones, announced on June 4 that an agreement had been signed whereby the corporation will advance to China the sum of U. S. $50,000,000 which will be expended for the purchase of American cotton and wheat for consumption in China. The loan agreement was signed by T. V. Soong, Nanking Finance Minister, while on his recent trip to Washington. According to the terms the loan will bear interest at 5 percent, will be repayable in three years, will be secured on the commodities themselves, prior to processing, after which it will be secured on the revenues of the so-called Consolidated Tax, including imposts on rolled tobacco, flour, cotton yarn, matches, cement and other manufactured and semi-manufactured goods. The chairman of the Reconstruction Finance Corporation, a Government organ, stated in the course of an interview on June 4 at Washington that the loan agreement had the approval of President Roosevelt; that it amounted to a bookkeeping transaction whereby China would be provided with facilities for making purchases of American staple commodities on credit, for which China would pay interest and repay the principal in installments in American dollars during a period of three years following the initial purchase. Ten percent of the value of the commodities is to be paid at the time of removal of the commodities from American warehouses, 15 percent within 90 days and the remainder over a period of three years. According to prevailing prices of cotton and wheat in the American market the loan will be sufficient to purchase 900,000 bales of cotton and approximately 12,500,000 bushels of wheat and flour.

According to a report appearing in the *Shun Pao* on June 12, China is now experiencing a shortage of raw cotton, hence it was expected that shipments of American cotton under the recent loan agreement would begin shortly. The new loan arrangement, according to reports cabled from the United States, was received with general approval on the part of the American public due largely to the fact that it would relieve the U. S. market of an embarassing surplus of raw products which largely has been responsible for the low prices which have prevailed during the past three years. It was therefore

expected that the loan would have a stimulating effect on Sino-American trade for two chief reasons: First, China is greatly in need of both cotton and wheat, and second, America has a surplus of both.

But while the cotton and wheat loan has been received with general favor in the United States and has received the approval of the National Government at Nanking, it apparently has aroused considerable opposition in other quarters both in the Far East and in England. Opposition in the Far East has come from three points, private foreign commercial interests in Shanghai, Canton political interests, and Japanese interests. British opposition to the loan according to the news reports, has been due to apprehension that it would tend to give Americans a stronger position in China's trade and to a fear that the allocation of Chinese revenues as security for the loan might be prejudicial to the interests of British bond-holders. As to the opposition which has developed in the Far East, the antagonism of local foreign commercial interests is easily understood since it is based entirely on the fact that private interests will derive no profits from the deal. The opposition of Cantonese political interests is also easily understood in that it is based on a fear that the loan will further consolidate the political control of the Nanking Government. As to Japanese opposition, it has not been expressed directly, but undoubtedly is based on long-standing Japanese opposition to any direct dealing between China and the United States.

Since practically all of the opposition to the loan which has thus far developed has been based selfish considerations, there is no particular reason why either China or the United States should pay any special attention to it. The chief point to be kept in mind is that China is greatly in need of both cotton and wheat and the United States has a surplus of both. This point received prominence in an editorial which appeared in the *China Times* on June 13 stating that China for many years had depended upon American cotton and since the Japanese occupation of Manchuria had been forced to depend upon foreign wheat. Home grown wheat is not sufficient to supply Chinese flour mills for a fortnight. Continuing, the editorial stated,

> "Besides, the import of American wheat and cotton will help China to compete with Japan. The Customs returns for last year show that the total imported flour from Japan amounted to 8,000,000 Haikwan Taels. The loan will at least help Chinese flour and cotton mills to meneuvre into a position to meet the demands of the Chinese market in a better manner.
>
> "Customs reports for last year show that the total value of cotton imports amounted to ₹120,000,000, wheat ₹51,600,0000 and flour ₹36,300,000. These combined made an aggregate sum of more than ₹200,000,000. The G.$50,000,000 loan, at the present rate of exchange, is equivalent to $200,000,000 Mex., which is less than the total import of wheat, cotton and flour last year. In other words, the loan does not cover our requirements. So, it is absurd to say that China does not need the loan. In reality we need more than the amount negotiated."

Another and convincing point in the *China Times* editorial pertained to the rate of interest on the American loan which is 5 per-cent. Had the Chinese Government borrowed the money locally or had the deal been handled through private interests, the interest rates probably would have ranged from 8 to 10 percent.

JAPANESE LOSSES 11,380: CHINESE 222,000 IN UNDECLARED WAR

THE Tokyo War Office, according to a report in the *Osaka Mainichi* on June 6, has finally announced the total Japanese casualties in the Sino-Japanese "undeclared" war, which the Japanese newspapers now designate as the "Manchurian emergency." The report claimed that the Japanese army between Sept. 18, 1931 and May 31, 1933, lost 11,380 officers and men, including 2,897 killed and 8,483 wounded, the details being as follows:

> Manchurian and Shanghai campaigns: 2,430 killed, 6,536 wounded, totalling 8,966.
>
> Jehol province campaign: 309 killed, 1,114 wounded, totalling 1,423.
>
> Great Wall operations: 158 killed, 733 wounded, totalling 891.

This report, however, made no mention of losses suffered by the Japanese naval forces which bore the brunt of the fighting at Shanghai for a considerable period prior to the arrival of the land forces. According to the official bulletin issued by the Japanese military headquarters in Tientsin, Chinese casualties between Sept. 18, 1931 and May 20, 1933 totalled 222,000 killed and wounded. of which number 168,000 were officers and men and 54,000 were civilians. The Japanese report claimed that the Chinese lost 50,000 in Manchuria, 22,000 at Shanghai, 30,000 at Shanhaikwan, 70,000 in Jehol and 50,000 in the fighting south of the Great Wall.

While the Chinese authorities have as yet been unable to tabulate figures showing complete losses as a result of the war, a report of the Red Swastika Society (Red Cross), issued on May 12 mentioned "tens of thousands of Chinese war dead still lying unburied on the battlefields of northern Hopei province south of the Great Wall."

REAL POINTS OF RIVALRY AT LONDON, GENEVA CONFERENCES

THE extreme improbability of any practical accomplishment at either the London or Geneva conferences was indicated in the press reports from various world capitals during the days immediately preceding the opening of the London meeting. On the economic side, the United States and practically every British colony announced definite or pending increases in tariff duties aimed at Japanese cheap goods. The American action was included in an amendment to the Industrial Reconstruction bill giving the President power to increase customs duties on various lines of Japanese goods including electric bulbs, rubber shoes, porcelains and possibly other Japanese merchandise, including raw silk. As for the British colonies, sufficient already has appeared in the daily newspaper reports to indicate the tendency. India already has increased its duties against Japanese cotton goods, almost sufficient to bar them out entirely, and similar action in other British colonies either has been taken or is pending. Other European countries are also contemplating similar action, the international unanimity almost suggesting the real beginning of an economic boycott against Japan.

So much for the economic angle! Prospects for agreement on the much more difficult disarmament issue appear even more unlikely. Japan has raised objection to every point in the British disarmament plan and Japan's reply to President Roosevelt's plea for international amity amounted to an emphatic "No." As for the United States, a *Rengo* dispatch from Washington on June 3 stated that the Industrial Public Works bill authorized the immediate construction of 30 new ships as part of the U. S. $230,000,000 three-year building program. Chairman Carl Vinson of the House Naval Committee stated $46,000,000 would be expended this year and the remainder left to the discretion of the President pending the outcome of the Geneva meeting. Included in the U. S. program are two new gunboats for the China station. An editorial in the *New York Times* stated there was an obvious connection between Japan's economic, political and naval ambitions in the Pacific, hence a situation was created which did not allow the United States to return to its policy of isolation. "Most certainly, we will not wish to be isolated at the moment of the naval conference of 1935 which marks the expiration of the Washington naval agreements of 1922."

Then on top of all the rest are reports from supposedly authoritative sources stating that Russia recently has placed orders in Italy for the construction of a 3,800-ton submarine and four 7,000-ton cruisers for service in Asiatic waters.

"LIGHT OF ASIA" CARTOON WINS COVETED PULITZER PRIZE

THERE is special interest in the Far East in the recent announcement of the so-called Pulitzer prizes for distinctive newspaper work in the United States for the reason that the best cartoon published in America last year dealt pointedly with the subject of Japan's violation of international treaties. The prize of $500 was awarded to Harold M. Talburt, cartoonist on the Washington *Daily News*, a paper belonging to the *Scripps-Howard* chain of dailies. A reproduction of the cartoon from the May 6 *Editor and Publisher* is shown herewith. It was entitled, "The Light of Asia," and showed a clenched hand marked Japan, holding aloft as a torch the nine-power treaty and Kellogg peace pact. The seal of the League of Nations on the pacts also was shown. The committee in making the award declared, "For the best cartoon published in any American newspaper during the year, the determining qualities being that the cartoon shall embody an idea made clearly apparent, shall show good drawing and striking pictorial effect, and shall be intended to be helpful to some commendable cause of public importance, due account being taken of the whole volume of the artist's newspaper work during the whole year." The cartoon was originally published in the Washington *Daily News* on Jan. 27, 1932. The Pulitzer prizes for meritorious journalistic and literary work in the United States were made possible through a donation of a considerable sum of money for the purpose by the late Joseph Pulitzer, former publisher of the New York *World* and St. Louis *Post-Dispatch*. In addition to the prize for the best cartoon awards also are made for the best work in other fields of journalistic and literary endeavor. The prize for the best foreign correspondence went to Edgar Ansel Mowrer, Berlin correspondent for the Chicago *Daily News;* best editorial to the Kansas City *Star;* best reporters work to Francis A. Jamieson, in charge of the *Associated Press* bureau at Trenton, N. J., who covered the kidnapping of the infant son of Col. and Mrs. Charles A. Lindberg; best meritorious service by an American news paper, New York *World-Telegram* for its campaigns against what it considered public evils including abuses in the veterans' relief, real-estate bond scandals and other matters involved in New York municipal elections.

"The Light of Asia"

All China Honors Patriot General Ma Chan-shan---Japanese Still Insist He Is Dead!

SEVERAL months ago two Japanese military officers, holding high position in the land of Nippon, none other than Lieut.-General Sadao Araki Minister of War and Major Prince Kanin, chief-of-staff, visited the Imperial Emperor Hirohito, descendant of the Sun Goddess and informed him that a certain detested Chinese bandit named Ma Chan-shan had been killed. And to prove it they placed on the floor before the Son of Heaven certain proofs of the violent demise of said detested Chinese bandit leader. This "proof" consisted of 1 soiled and blood-stained uniform, 1 sword, 1 military cap, several Chinese military medals, and other articles, not the least in importance being a number of small bars of pure gold which allegedly had been in the possession of the detested General Ma. Emperor Hirohito is reported to have expressed great delight at the receipt of these mementoes and forthwith issued orders for said war-relics to be placed in prominent position in the Imperial war museum in Tokyo in a section which has become somewhat overcrowded with similar articles garnered from wars fought on Chinese soil.

For this exploit in definitely putting an end to "bandit" Ma, both Araki and Kanin received fresh honors, each being moved up another step in rank and new medals being pinned on their brave chests. General Araki then went out and delivered another address to the Tokyo multitudes, telling them to stick together just a little longer and the world would be theirs to do with as they wished.

Then something happened: By way of Moscow in the form of an official *Tass* agency report distributed over the world, it was announced that the famous General Ma Chan-shan was not dead, but was very much alive. He had escaped across the Siberian border along with several other Chinese generals with their troops and was sojourning in a Russian village. When the foreign news correspondents in Tokyo took this report to the Imperial War Office and showed it to the officer in charge, he smiled in superior manner and remarked, "Typical Chinese trick—General Ma is dead—the follow is an impostor.".

And so General Ma Chan-shan is officially dead in Tokyo! For hasn't the Emperor been told by the highest military authorities in the land that Ma is dead, and since he has been so informed there can be no correction. Ma Chan-shan had been reported dead and so he must remain "dead" for how could Messrs. Araki and Kanin again repair to the presence of His Imperial Highness and admit they had made a mistake; that they were only "joking" when they presented the original information. And so General Ma must remain "dead" so far as the Tokyo General Staff is concerned and since the said General Staff control all sources of information leading to the throne, there appears to be no way of informing H. E. Hirohito that General Ma is not dead but is very much alive and recently was accorded an enthusiastic reception attended by many thousands of Chinese at Shanghai.

The complete story of General Ma Chan-shan and his military exploits against the Japanese military aggressors in Manchuria would require more space than is available in this issue of *The Review* But briefly Gen. Ma was in charge of the border defence troops at Taheiho-on-the-Amur in north Manchuria on September 18, 1931 when the Japanese occupied Mukden, capital of the Manchurian provinces. Gen. Wan Fu-lin, controller of Heilungkiang province was not in his provincial capital at Tsitsihar on that fateful day, but was in Peiping with his superior, Marshal Chang Hsueh-liang. Gen. Wan had left his son in charge of affairs at Tsitsihar. The situation therefore appeared simple for the Japanese, so the Tokyo General Staff sent an expedition into north Manchuria by way of the Chinese railway running through Taonan to the east of Harbin. All was confusion in Tsitsihar and the confusion became worse when it was learned that Gen. Wan's son had decamped with all of the funds in the provincial bank. The Heilungkiang troops appeared on the point of flopping over to the Japanese and their puppet Chinese general Chang Hai-peng an ex-bandit on the Mongolian frontier whom the Japanese had "bought-over" for the purpose. At this point, Gen. Ma Chan-shan appeared on the scene. Apprized of the Japanese advance, he had forced-marched some 500 miles across country from Taheiho, reached Tsitsihar, reorganized the troops, and erected defences at the Nonni river a few miles below the tracks of the Chinese Eastern Railway at Anganchi station.

Since the Japanese army had encountered little resistance in their occupation of Manchuria up to this point, they naturally thought Gen. Ma's activities only constituted another Chinese bluff. But they received a disagreeable surprise for Gen. Ma not only resisted but drove the Japanese and their puppet Chang Hai-peng well back below the Nonni river and burned the bridge. The Tokyo General Staff never made any official announcement of their casualties but the Mukden military hospital was filled with wounded Japanese soldiers—which the official spokesman on Gen. Honjo's staff claimed were due to "frost-bite." However, Japan shortly afterward brought up heavy reinforcements and finally succeeded in dislodging Gen. Ma from the Nonni river and also from his provincial capital at Tsitsihar which the Japanese occupied late in 1931. Gen. Ma and his forces retreated to the mountains to the northeast of Tsitsihar and awaited developments.

Realizing the futility of chasing "bandit" Ma and his troops over the Heilungkiang mountains, the Japanese then resorted to diplomatic methods. They sent to Harbin one Col. Doihara, chief among Japanese military plotters, and by means of intermediaries got in touch with Gen. Ma, who in the meantime had become a national hero among the Chinese. Doihara assured Gen. Ma that the Japanese really had a high regard for him; were willing to make him governor of Heilungkiang and "war-minister" of Manchukuo if he would cease his resistance and become an

FIVE DIFFERENT VIEWS OF GENERAL MA CHAN-SHAN

The picture in the center at the top shows General Ma in winter military headdress and was taken at Tsitsihar late in 1931 prior to the Japanese occupation of that city. This picture was one of several distributed to foreign newspaper correspondents in Harbin, each of which contained Gen. Ma's personal autograph and date.

The picture of Gen. Ma on the left at the bottom was reproduced from the roto-section of the New York *Times* for May 7 and was taken in the Chinese Legation at Berlin. The other views of General Ma were taken by Shanghai newspaper photographers following his recent arrival in this city. The recent views show that Gen. Ma has further trimmed his mustache since leaving Berlin.

ally of the Japanese. Gen. Ma held off until Doihara reinforced his original offer by handing the Nonni river defender a considerable sum of money, allegedly from one to five million yen. Gen. Ma then agreed to go to Changchun (Hsinking) and be a good little puppet.

The Japanese then propagated far and wide the news that another Chinese hero had fallen; that the defender of the Nonni river had confessed his sins and had joined the puppet set-up at Changchun. And since Gen. Ma actually was at Changchun and apparently was hobnobbing with the Japanese commanders, China had to accept the bitter fact, which necessitated the withdrawing from sale of numerous popular brands of cigarettes and soaps which had been named in honor of Gen. Ma.

Then something else happened. Gen. Ma requested permission to make an inspection trip into Heilungkiang province and also requested more funds, presumably for use in seducing further Chinese commanders to the Japanese banner. With these additional funds, Gen. Ma and some of his staff officers proceeded first to Harbin where they made certain arrangements with other Chinese commanders, including the leader of the railway guards on the C. E. R. Following this, Gen. Ma went back to his old headquarters at Taheiho where he wrote a long telegram which he addressed to Marshal Chang Hsueh-liang at Peiping and Gen. Chiang Kai-shek at Nanking. This telegram, Gen. Ma sent across the Amur to the Chinese Consul at Blagoveshchensk from whose office it was broadcasted to an amused world. In it General Ma told the whole story of his association with the Japanese commanders; how they had told him their innermost plans for the conquest of Manchuria and the placing of the Boy Emperor Pu-Yi back on the dragon throne, etc., etc., etc.

The Tokyo General Staff first declared the Ma telegram a fake, but they couldn't ignore the obvious fact that Gen. Ma was again on the warpath. This necessitated the sending of an enormous army to Heilungkiang province and the expensive conquest of that territory, resulting ultimately in the defeat of the Chinese troops and their retreat across the international boundary into Soviet territory. In the meantime Col. Doihara the Japanese military intriguer, who had engineered the "seduction" of Gen. Ma, was "promoted" to a higher post in Japan and relieved of his duties on Chinese soil. The Japanese campaign against General Ma's army was particularly determined, hence the joy in Tokyo military circles when one of the subordinate commanders of the Imperial forces operating to the north of Harbin reported that Ma's troops had been defeated and better yet, Gen. Ma Chan-shan himself had been killed. Gen. Araki immediately issued orders for a celebration and much champagne was consumed in ribald toasts to the spirit of the late-lamented and detested General Ma. Then, as stated in the foregoing, General Araki accompanied by the Chief-of-Staff, Prince Kanin, and a subordinate carrying a parcel containing the supposed intimate possessions of the late Chinese leader, repaired to the Imperial Throne room and told H. E. Hirohito all about it.

General Ma, following his somewhat hurried trip across the border into Soviet land, proceeded to Moscow where he spent considerable time conferring with Russian officialdom, following which he went to Berlin where he made several public addresses and was heroized by the populace. Then he went to Italy where he met Marshal Chang Hsueh-liang and boarded an Italian steamer back to China, stopping off at Singapore, Hongkong and other places where Chinese patriots assembled to meet him and get his views on the Japanese menace. He is now in Nanchang visiting General Chiang Kai-shek.

But the Japanese newspapers, completely under the domination of the Tokyo military clique, insist that their General Ma is dead and the one who recently arrived from Europe is a rank imposter. Recently when General Ma landed at Shanghai, the Tokyo and Osaka newspapers with one accord again announced that Gen. Ma was "positively" dead; had been killed at the village of Koo-Chen-Tseng, Heilungkiang province by the Imperial Japanese forces; that the man recently arrived at Shanghai "looks almost identical to General Ma, but is an imposter." This inspired the Chinese newspapers to explain that the Tokyo General Staff must continue to tell Emperor Hirohito that General Ma is dead, otherwise Gen. Araki and other Tokyo war-lords might be subjected to impeachment proceedings on a charge of deceiving the Son of Heaven. Some of the Chinese papers stated that General Araki might even be compelled to commit hara-kiri (disembowelment) in order to expiate the grave crime of cheating the Emperor. According to the Chinese version of the story, General Ma changed uniforms with one of his officers in order to escape the Japanese during the latter stages of the Heilungkiang battle and this led the Japanese militarists to believe they had bagged the real General Ma.

General Ma made the trip back to China in company with General Su Ping-wen, former commander of the Chinese Eastern railway guards, who also rebelled against the Japanese and fled to Russia. Most of the Chinese soldiers formerly under Generals Ma and Su, who also fled to Russian territory, have since returned to China by way of Sinkiang province. Two other Chinese military leaders, Generals Wang Teh-lin and Kung Hsien-yung, volunteer commanders who also fled to Russian territory, returned to China early this week, traveling on a German steamer. All of these leaders have announced their determination to continue the struggle against the Japanese for the recovery of "lost territories."

But chief popular interest naturally centers in General Ma the hero of the Nonni river, who shares honors with General Tsai Ting-kai of the 19th Route Army who defended Shanghai—the two Chinese commanders who dared to oppose Japanese aggression. General Ma is a native of Hwaiteh village, Fengtien province where he was born in 1887. He entered the army at 20 and has followed military pursuits since, once gaining distinction by conquering a famous brigand known as "White Wolf." In 1931 he was garrison commander at Taheiho, Heilungkiang province and in recognition of his services in opposing the Japanese at the Nonni river the Nanking Government appointed him Acting Governor of Heilungkiang, but he did not hold the office long due to the Japanese drive into that territory.

Japan's Three Major Problems: Social Discontent, Finance, and Discriminatory Duties

THE three major problems facing Japan at the present are: The seething social discontent, which is rapidly becoming more intense with each succeeding day; the precarious state of the national finances, which the Army and Navy groups seem determined to aggravate; and the fact that obviously discriminatory duties have been put into force by India and China, two of Japan's principal markets. The Far Eastern atmosphere has been somewhat cleared and the tension in the Island Empire somewhat lessened, by the fact that Japan stopped short of invading and taking possession of Peiping and Tientsin; nor has there been any attempt to put into force the idea of putting the "Boy Emperor" on the old Dragon Throne—as Japan had been suspected of planning to do. Whatever the reasons Japan may have had for desisting from further adventures in North China at the present time, the fact is that she has desisted—probably being actuated by somewhat the same motives as was Napoleon, to whom is attributed the statement that he saw quite a few ways in which he could get into England, but the difficulty was about finding a way out. Not in a physical sense, but in a political sense this state of mind may have had something to with the Japanese decision to desist, for the plan to restore the Dragon Throne might have got Japan into a political tangle from which it would have been exceedingly difficult for her to extricate herself; for, however far short of its ideals the Chinese Republic may have fallen, the idea of reverting to a monarchy is almost as distasteful to the Chinese public in these days as any plan to change from a republican to a monarchical form of government would be to the people of the United States.

The extent of the social discontent in Japan is made evident in hundreds of directions. The liberal press in Japan is constantly giving expression to it, but owing to police supervision and various bans on publication of facts, a true picture of the state of affairs as it exists is hard to obtain. However, when a succession of cases is recorded where suspected political agitators die while in police custody of "heart disease" or from other ailments—obvious euphemisms for deaths from violent treatment by the police—and when on top of the fact that the police are urging that they shall have power to detain suspects almost indefinitely for the purpose of securing further "evidence," it is evident not only that the discontent is widespread, but that the existing bureaucracy is determined to crush any agitation against it, either by fair means or foul.

The Japanese upper classes from the Mikado

down seem to have a perfect horror of the idea that liberal ideas should obtain a foothold within the realm. The methods which are employed by the hierarchy to suppress "dangerous thoughts" are in many cases laughable, and certainly very expensive. The Department of Communications and the Department of Home Affairs have lately put their heads together so as to make the censorship still more effective. The censorship on incoming journals, particularly such as the *China Weekly Review*, is being imposed in Japan at present almost as severely as that usually enforced in all countries in time of war. The recent forced retirement of Professor Takikawa of Kyoto University because of his liberal tendencies, and the loyal support which he is getting from the students is typical of the repression from above on the one hand and of the determination to resist the oppression from the bottom. The offense which Professor Takikawa committed, according to the Ministry of Education, is that he is "imbued with Marxism, judging from the book on criminal law which he recently published, and which conflicts with 'national thought' and injures public peace and order."

The recent action of India in raising the emergency duty on plain grey cotton goods of non-British origin from 50 to 75 percent has caused particular consternation in Japanese commercial circles. The Japanese government is somewhat undecided as to whether it will try the expedient of placating the British-Indian manufacturers or to support the boycott on Indian cotton which the Osaka cotton spinners recently decided upon. In this connection the Ministry of Commerce at Tokyo is stressing the point that the discrimination against Japanese cotton goods does not really reflect the will of the opinion of the masses of Indian people.

The higher Chinese duties recently invoked also have hit the Japanese cotton cloth industry very severely. According to a petition recently presented to the Tokyo Government by the Japanese Cotton Exporters Association, the duties on finished cotton goods, the import of which into China is the largest of all imports from Japan, have been raised by from 400 to 700%. The importance which Japan lays on the market in Asia is indicated by a recent decision to gradually reduce or close some of the legations or consulates in Europe and to extend those in Egypt, South Africa, the Near East, India, the South Seas, Manchukuo, China and Africa. Japanese generally profess to see little benefit from the Conference at present in session in London. At any rate, the Japanese delegates, according to report, have been instructed that, while the principle of international cooperation will remain to be the keynote of Japan's policy toward the Conference, they will stress the fact that Japan will be ready to wage an economic war against any country that may challenge it with economic boycott and similar economic measures.

One of the things that is perturbing the Japanese financiers is that as a result of the inflationary process in the United States the rate of exchange which a short time back was twenty U. S. cents to a yen is now about twenty-six cents. Although this has the obvious advantage of enabling Japan to pay its huge debts in the United States at a more favorable rate, it has the much greater disadvantage of cutting off the great advantage that Japan had in exporting to the United States, particularly raw silk. The rapid rise in the rate has also upset the plans of the Japanese Government to control exchange; also Japanese merchants show a disposition to default or delay payments due to uncertainty as to the rate of exchange. The higher prices of Japanese products as the result of the increased exchange rate on America have also somewhat diminished the growing agitation in the United States against Japanese "dumping." Recently in the U. S. Senate, the Finance Committee adopted an amendment to authorize the President to prohibit imports of articles which threaten American industry by means of unfair competition. The amendment was particularly aimed at electric bulbs, rubber shoes and porcelain.

The real trouble in Japan is that the naval and military groups are determined to extend their respective services, regardless of the cost or what the eventual consequences may be. Their idea is that Japanese prestige must be increased by naval and military prowess, and if millions of poor Japanese have to suffer as a result—well, to use a popular phrase, "it's just too bad." The Navy Department is planning for a budget of Yen 400,000,000 for the coming year. According to a proposed "replenishment plan," more than 20 warships are to be built at a cost of Yen 370,000,000 by the year 1936. These comprise: one aircraft-carrier of about 8,000 tons; two six-inch cruisers of about 8,500 tons each; seven destroyers of about 1,400 tons each; a mine-layer of about 5,000 tons; twelve submarines of various sizes; and a number of mine-sweepers. The War Office is planning a budget for the next year of about Yen 450,000,000, but the indications are that the expenditure of the Army will amount to a larger sum in view of the fact that besides Yen 200,000,000 in the Ordinary Accounts and Yen 140,000,000 to Yen 150,000,000 for expenses in Manchuria, there will be an appropriation of Yen 100,000,000 for the replenishment of military equipment—this despite the fact that the campaigns in Manchuria and North China seem to be coming to an end, at least for the present. According to the Japanese militarists, peace in North China depends on whether the Chinese show "sincerity," particularly as regards suppressing the boycott. Viscount Uchida and War Minister Araki reported at a Cabinet meeting in Tokyo June 9 that since the signing of the armistice in North China, the general situation throughout China was gradually becoming favorable to Japan and the Chinese boycott against the Japanese goods was relaxing.

With it all, the several Ministries are at their wits ends as to how to raise the enormous amounts of money that are require to maintain an appearance of splendor in the face of dwindling receipts. The old squabble of whether taxes are to be raised, or still further loans, to be loaded on posterity, are to be floated, still proceeds. The War group generally opposes any increase in taxation, although recent reports indicated that War Minister Araki has approved the idea of increasing the prices of tobacco products and rates of postage as part of plan to meet the existing deficit.

The various serious problems confronting the Japanese Empire are making it difficult for the present coalition Saito Cabinet to continue to function, but, so far, the Seiyukai's onslaughts on the Cabinet have fallen flat, owing to internal disputes within the Party itself. The Party's destinies lie largely in the hands of Dr. Suzuki, its president, and the latest report in this connection was that although the various factions in the Seiyukai, while differing in their interpretation and estimation of the party's relationship with the existing Ministry, are agreed in trying to secure the early termination of the Cabinet in power in favor of the Seiyukai Ministry. Dr. Suzuki is stated to be awaiting the opportune moment to withdraw the support of his party from the Saito Ministry.

G. W. M.

What the Japanese War-Lords Are Trying To Do Now!

THERE has been no official announcement from either Nanking or Tokyo regarding the matters discussed in the recent conversations between Akira Ariyoshi, Japanese Minister, and Nanking officialdom, including Wang Ching-wei, head of the Executive Yuan and Lo Wen-kan, Minister of Foreign Affairs. Ariyoshi spent several days in Nanking and there was considerable entertaining, but, as stated, there has been no official announcement regarding the subjects discussed.

Despite the silence which has been maintained on both sides, the latest copies of Japanese newspapers to arrive in Shanghai contain considerable information bearing on what the Japanese term, "the-after-truce-negotiations." In the first place Ariyoshi, the Japanese Minister has been subjected to considerable criticism in the Japanese press for his alleged failure to speed up negotiations, and some of the papers even have demanded his recall because of his alleged failure to settle all outstanding Chinese issues. The *Osaka Mainichi* on June 7 declared, "While important diplomatic negotiations are, or will be going on in Peiping and Tientsin shortly, in consequence of the Chinese-Japanese armistice agreement, Minister Ariyoshi is in Shanghai and is remaining inactive."

It undoubtedly was a direct result of this criticism that Ariyoshi hurried to Nanking last week. Following his return from Nanking early this week, the *Shanghai Evening Post* printed an interview with an unnamed spokesman of the Japanese consulate stating, "an agreement that China and Japan must cooperate for the greater cause of establishment of peace and order in the Far East has been assented to by the Chinese and Japanese authorities....representatives of both sides agreed to this point that they must work for a greater cause, notwithstanding the present unsatisfactory events." The Japanese spokesman denied that Ariyoshi had protested to Nanking about the new tariff rates which the Japanese claim are discriminatory, but had devoted their conversations to the general subject of cooperation between the two countries.

According to the reports in the Japanese newspapers, Tokyo officialdom was seriously disturbed by a telegram which Nanking sent to the League wherein it was declared that the recently signed military truce "does not in the slightest degree affect the policy hitherto pursued by the Nanking Government, which is as firmly determined as ever to settle the Sino-Japanese problem in accordance with the Nine Power Treaty, the League Covenant and the resolutions adopted by the League on several occasions." The *Japan Chronicle* (June 7) stated that Count Uchida, Foreign Minister, had immediately wired to Ariyoshi instructing him to proceed to Peiping in order to find out Chna's "true intentions" following the signing of the truce agreement. Mr. Ariyoshi replied to this stating his intention of proceeding to Nanking in order to "hear the explanation of Chinese officialdom regarding their policy toward Japan which had been decided upon at the recent conference at Lushan (Kuling) which was participated in by Gen. Chiang Kai-shek, Wang Ching-wei, Lo Wen-kan and others from Nanking who had gone there for the purpose." Count Uchida was quoted as saying that after Ariyoshi had "made sure of the true intentions of the Nanking Government," he might be instructed to return to Tokyo and then sent to Peiping. With reference to the Chinese conference at Lushan, the Tokyo War Office stated that while some objection had been raised as to the recent truce agreement, "the urgent need of an armistice was generally recognized by the Nanking Government, hence a speedy approval was given to the agreement."

In further reference to the movements of Mr. Ariyoshi, the report in the *Osaka Mainichi* (June 7) stated the Japanese Minister had prolonged his stay at Shanghai, "because if he displayed activity in the North, China might resent it as an attempt to commence formal diplomatic negotiations....also it might provide opportunity for the other foreign ministers to intercede, a contingency which Japan feared; hence pending the completion of preliminary arrangements for the commencement of formal diplomatic negotiations, it was advisable for Mr. Ariyoshi to remain in Shanghai."

The Japan *Times* (Tokyo) on June 4 referred to the "post-truce" negotiations, stating that several matters had to be attended to immediately in north China,

1.—Method of dealing with the pro-Manchukuo volunteers under Gen. Ting Chiang, it being understood that the Chinese authorities would deal with these forces independently, as they constituted an "independent" army organized during the confusion caused by the Sino-Japanese hostilities.
2.—Restoration of normal traffic on the Peiping-Shanhaikwan railway, the tentative agreement providing that the Chinese and Japanese should cooperate in restoring the traffic.
3.—Maintenance of peace and order in the neutral zone, it being agreed that the responsibility for this rested with Gen. Yu Hsueh-chung, chairman of the Hopei provincial government.
4.—The tentative agreement provided that in case the specified number of Chinese police proved insufficient in ensuring peace and order in the neutral

zone, the Chinese and Japanese representatives shall meet to consider other measures deemed necessary.

A further report by the official Japanese *Rengo* service (Japan Times, June 4) gave a further insight into Japan's intentions with respect to the situation which has developed following the truce,

1.—Gradual withdrawal of the 220,000 Chinese troops stationed in north China toward the south.
2.—Problems concerning resumption of traffic on the Peiping-Mukden railway as far as Shanhaikwan and its connection with the Mukden-Shanhaikwan railway.
3.—Means to control the anti-Japanese boycott in north China.
4.—Organization of a policing force to maintain peace and order in the neutral zone.
5.—Disposal of pro-Manchukuo Volunteer Corps commanded by Gen. Ting Chiang.

These reports from Japanese sources as well as others indicating that Japan expects China to adjust other outstanding questions, even to a recognition of Manchukuo, show quite clearly that there was much more to the so-called "Tangku-truce" than has appeared in the public announcements. Of immediate interest is the dispute which has developed over the policing of the so-called "neutral zone" a territory of some 5,000 square miles to the south of the Great Wall into which the Chinese are forbidden to send their armed forces. According to the published truce terms this area was to be policed by the Chinese authorities, but now it develops the Japanese fully intend to have a hand in the said policing. This explains why the published truce terms had nothing to say about the disposition of the so-called "pro-Manchukuo" forces which cooperated with the Japanese in the drive on Peiping and Tientsin. Japan is now insisting that these "pro-Manchukuo" forces, otherwise Chinese renegades in the pay of the Japanese, be permitted to participate in the maintenance of peace and order in the extensive territory lying between Peiping and Tientsin and the Great Wall. A report in the *Sin Wan Pao* on June 12 stated the Japanese military authorities are insisting that their puppet Chinese commander, Li Chi-chun and his forces be reorganized as a "peace preservation corps by the Chinese and entrusted with the task of maintaining order in the extensive district to the east of the Luan river and extending to the Great Wall at Shanhaikwan." In further reference to this subject *Rengo* reported on June 12 that another of the Japanese puppet commanders, Gen. Ting Chiang, "was holding the area between Tangshan and Lutai and blocking the traffic on the Peiping-Mukden railway."

The implication in these reports is plain: that Japan regards the so-called "neutral zone" as a mere adjunct of Manchukuo and has no intention of surrendering control to any independent Chinese police force. Further proof of this was also indicated in the Japanese reports stating that China and Japan were to "cooperate" in restoring the traffic on the section of the Peiping-Mukden railway south of the Great Wall. As a matter of fact the Japanese already have restored this traffic all the way down to Tangshan by amalgamaing that important section which serves the Kailan Mining Administration area, with the other section of the railway north of the Great Wall which has been amalgamated with the Japanese-owned South Manchuria railway. Further Japanese intentions with respect of this area were indicated in a report in the *Central China Daily News* (June 13) stating that Japan had decided to erect strong fortifications at all of the passes in the Great Wall, including Lengkou, Hsifengkou, Kupeikou, Chiehlingkou, Chiumengkou and Shanhaikwan, with smaller fortifications between these points. Heavy guns are to be placed at these positions and a force of 20,000 Japanese troops stationed there permanently.

There is but one conclusion to be drawn from these developments: The Japanese have not the slightest intention of withdrawing from their position in Manchuria or from the so-called "neutral" zone which they have created south of the Wall. Also, they intend in the immediate future to push their campaign into Chahar province with the object of adding that extensive area to Manchukuo, which naturally will carry with it the establishment of a further Japanese garrison at Kalgan, directly to the northwest of Peiping.

In the meantime the Japanese are pursuing their usual policy of intrigue throughout China. The *Sin Wan Pao* published a report from Nanking on June 12 claiming the Japanese are supplying rifles and ammunition to the Chinese red gangs in Hupeh province. It was alleged that a gunboat belonging to a "certain nation" had unloaded a large shipment of rifles and ammunition at Tayeh, Hupeh, from which point it had been transported to the reds in southern Hupeh. Further reports from Fukien province told of similar shipments of Japanese arms from Formosa which have been smuggled to the reds in Kiangsi province. In reference to these activities the *Ta Kung Pao* (Tientsin) declared, "Aside from occupying Chinese territory in the northeast, the Japanese are trying to intigate new leprisings in China. The Japanese reports indicate that the Japanese military authorities are conducting a systematic propaganda about imaginary anti-Government movements in north China....apparently the time is not far distant when both China and Japan will go down to destruction." And as a fitting conclusion, the official *Rengo* service distributed a report from Tokyo on June 13 alleging that Chinese interests at Canton and in the South Seas had started a movement to bring about cooperation between China and Japan in the creation of an "Asiatic Monroe Doctrine," which carried with it the immediate recognition by China of the independence of Manchukuo and to be followed immediately by full cooperation between China, Manchukuo and Japan in the realization of the Japanese policy of "Asia for the Asiatics."

T. C. Britton of Asia Realty Joins Committee of S. F. R. A.

T. C. Britton, president of the Asia Realty Company, has been appointed to the Executive Committee of the Shanghai Foreign Residents Association, according to a report issued this week by the American Chamber of Commerce. Mr. Britton's appointment was made following the resignation of T. O. Thackrey, editor of the *Evening Post*, who declined the appointment. In addition to his connection with the Asia Realty Company, Mr. Britton also is a member of the board of directors of the American-Oriental Finance Corporation and International Lands, Ltd.

Huge American Wheat and Cotton Loan Pleases China

The Central Political Council on June 7 approved the American loan of U.S.$50,000,000 for the purchase of American agricultural products recently negotiated in Washington by T. V. Soong during his recent visit to Washington.

Dr. H. H. Kung, Governor of the Central Bank of China, when interviewed at Nanking June 7 following a visit to General Chiang Kai-shek at Nanchang, Kiangsi province, expressed the belief that the loan would be of mutual benefit to China and the United States. "We are unanimous in our appreciation of this expression of goodwill, because with this assistance we shall be able to rehabilitate the devastated areas both in the war-stricken and famine districts and also to relieve and build up the cotton industry throughout the country," Dr. Kung said.

Wang Ching-wei, President of the Executive Yuan, told pressmen at Nanking June 8 that the Government would have carefully to consider detailed measures regarding the purchase of wheat and cotton, their shipment to China and their disposal. These measures, he emphasized, would be so framed as to make the fullest use of the purchases.

Hu Han-Min Opposes U.S. Wheat Loan

Hu Han-min, former chairman of the Legislative Yuan, June 8, addrssed a telegram to Sun Fo, strongly opposing the loan to China of G.$50,000,000 for the purchase of American cotton and wheat. He assailed the loan on the ground that it was made without the approval of the Legislative Yuan in Nanking, that there is no necessity for such a loan since the Government in Nanking has admitted that its income and expenditure now balance, and also that the importation of large quantities of cotton and wheat will not improve the lot of Chinese farmers in this country.

Canton Political Council Opposes U.S. Loan

Strong opposition to the agreement recently concluded whereby the United States would advance U.S.$50 000,000 to China for the purchase of cotton and wheat, on the ground that the loan would be used indirectly to perpetuate civil strife in the country, was contained in a telegram sent to the Department of State and Reconstruction Finance Corporation at Washington early this week by the Southwestern Political Council at Canton.

The telegram, among other things said: "During the past few years, the Nanking Government has increased China's national debt to the appalling sum of $1,000,000,000. These funds have been appropriated lavishly by the Military Affairs Commission of the Nanking Government for civil war campaigns, yet the Chinese people are forced to bear the financial burden. The worst of it is that General Chiang Kai-shek and T. V. Soong have been personally enriched by continued embezzlements. It is apparent that the present American loan will be used to finance civil wars if there is no guarantee to prove that the proceeds will be used for constructive purposes."

This telegram was signed by Tang Shao-yi, veteran statesman, and Generals Chen Chi-tang and Hsia Fu-chen, leaders of the southern regime in Canton.

Peking Merchants Suggest Wheat Loan Be Used for Disbandment Scheme

The Peking Chamber of Commerce issued a circular telegram June 13 suggesting that the Government should devote a part of the proceeds of the G.$50,000,000 from America to the disbandment of troops. Public bodies throughout the country were urged to support this proposal.

Cotton Shortage Threatened in Shanghai

According to information from Chinese textile trade circles, Shanghai is on the verge of a cotton shortage. At present Shanghai has only 130,141 parcels of raw cotton in store, which is far from sufficient to meet the requirements of the various cotton mills.

Comments by U.S., Chinese and British Press

The Shanghai *Min Pao* commented:—"The conclusion of the present loan in America, is a preliminary step towards Government control of agricultural products. While we appreciate the action of the Government in this particular respect, we hope that the same practice will be extended to the importation of foreign rice, thereby preventing its free entry into this country."

The *New York Times*, in an editorial states that "good security and profitable markets are suggested by the new loan to China." Other important editorials are hopeful that Chinese credit may inspire more market loans.

The *New York Evening Post*, in an editorial stated that the United States could not have granted the credit unless it was assured not only that China would be able to repay it, but also that the Chinese Government was in a position to promote further trade between the two countries.

Criticisms made by Shanghai British business men of the American loan of G$50,000.000 to China to buy wheat and cotton were echoed in London. The *Times* commented that the United States, along with Britain, France and Japan, is a party to the Consortium of 1920, the members of which gave a pledge that any financial operations in China should be pooled, but only if a public issue was contemplated and the security were the hypothecation of Chinese national revenues.

The Only Person Who Can Save China

To the Editor, *The China Weekly Review*:—

Since Japan's invasion into Manchuria, September 18 1931, our leaders have employed every means possible to find a way to settle this dispute. *viz:* firstly, appealing to the League of Nations, and secondly, engaging in a long drawn-out armed resistance. To sum all these up, it means that our leaders have tried to seek help from mortal sources, all of which are of no avail; as to date nothing could have stopped the mad Japanese militarists from carrying on their marauding adventure.

The present world unrest, which brought forth the Sino- Japanese crisis, only offers an opportunity to Japan to defy the League of Nations, putting all the treaties into the waste paper basket, trampling down world civilization; also challenging the most important One, that is God (Christianity). Even though the Powers could afford to allow such a thing to go unchallenged, our Lord will not; and certainly would not permit such a Nation as Japan to shake the very foundation of the Christian Churches and to escape unpunished; because if Japan can continue to go on as she pleases—killing thousands of innocent Chinese men, women and children, without a declaration of War,—it would certainly cause misunderstandings among the Christians, as there would seem to be no God. Our leaders have tried their best to seek help from other Nations; but they have entirely forgotten to ask the necessary help through the most important Person—the only One who possesses Almighty Power, that is our Father, God Almighty. Without Him nothing can be done.

CHANG KUI-HSIANG.

Jesselton, B. N. Borneo, May 17, 1933.

Britain May Pay War Debt Installment in Silver, or Default Entirely

A *United Press* telegram from London June 10 stated that Great Britain had advised the United States of her intention to pay the war debt installment due on June 15, the entire payment being made in silver and being charged to the Exchange Equalization Fund. Payment in silver would mean a saving of £7,000,000 to Britain on the installment.

Later telegrams stated that a complete British default on the debt instalment due on June 15 was possible, as the U. S. A. might insist on full payment, or nothing.

According to the Washington correspondent of the London *Morning Post*, the Indian Government still has 400,000,000 ounces of silver ready to dump on the market, which could be secured by the British Government and shipped to Washington. The American delegation to the Economic Conference will advocate a number of measures for the rehabilitation of silver, including the remonetization of debased silver coins, the elimination of restrictions on interntional movements of silver, the optional use of silver as a percentage of gold cover, and agreements regulating the supply of silver on the world market.

China to Investigate Silver Situation in U. S. A. and Mexico

The Chinese Government has instructed Frank Lee, the newly-appointed Chinese minister to Poland and Czechoslovakia, to investigate the silver producing conditions in Nevada, U.S.A. The government is also contemplating the sending of a commission for the investigation of the silver industry in Mexico. Frank Lee, who is now in the United States, will be appointed head of this investigation commission.

The Reason Why Marshal Feng Subsided

Although the news has not been confirmed, telegrams from various sources indicate that Marshal Feng Yu-hsiang's threatened coup-d'etat in the Chahar area is a failure, principally for the reason, it seems, that he has not been able to secure the financial assistance from Canton he had originally been promised, or at least had counted upon. The Southern faction has also shown a quieter disposition following the announcement several days ago that the Nanking government had doubled the monthly allowance (from $300,000 to $600,000), ostensibly for bandit suppression purposes.

A *Kuo Min* telegram from Peiping June 11 stated that General Feng Yu-hsiang was beginning to showing a less intransigant attitude towards the Government. General Sung Che-yuan, Chairman of the Chahar Provincial Government and a former lieutenant of General Feng Yu-hsiang, is reported to have sent a representative to Kalgan to advise General Feng to refrain from any rash action. General Sung has asked the Peiping Branch of the Military Affairs Commission to continue assuming full responsibility for military affairs in Chahar, expressing his willingness to assist the Commission in coping with any invasion.

A *Rengo* message stated that after Marshal Feng's retirement, General Pang Ping-hsun would probably be created Chairman of Chahar Provincial Government, through the recommendation of General Sung.

Nanking Wants an Explanation from Marshal Feng

The Government has requested General Li Lieh-chun to proceed to Kalgan to see Marshal Feng Yu-hsiang and to demand an explanation from the latter of his recently activities in the North. Marshal Feng Yu-hsiang recently drove out all Government revenue officials in Chahar and put his own men in their places. The Nanking Kuomintang Office adopted a decision June 8 requesting that the Government order a punitive expedition against Marshal Feng.

Manchuko Troops Advance in Chahar

Taking advantage of a clash between troops under General Fang Cheng-wu and under Feng Chan-hai, the Manchukuo troops at Dolonor made a sudden advance southward and succeeded in capturing Paochang, a city forty-five miles north of Changpei, without any fighting, June 8. On the previous day the Manchukou forces, in their further advances southward, clashed with Marshal Feng Yu-hsing's forces, under Chang Li-shen and Teng Wen, near Kuyuan, while those advancing from Tushihkou also clashed with General Fang Cheng-wu's forces. Marshal Feng Yu-hsiang was at Changpei directing operations.

According to the general opinion in Peiping Marshal Feng's new move against the Government has little chance of success. It is freely reported that, if his present campaign fails, Marshal Feng will bring his troops to Suiyuan while Feng himself will leave for Outer Mongolia. These reports state that General Yen Hsi-shan has promised to give Feng protection if he is defeated but Yen is not going to give Feng any material assistance in his new adventure.

Japanese-Manchukuo Forces Occupy Post in North-west Kalgan

A recent message from General Chao Cheng-shou, Commander of the Shansi Cavalry units, reported that the Manchukuo troops under Liu Kuei-tang in conjunction with the Japanese Mogi Cavalry Brigade, occupied Kang-pao, 55 miles north-west of Kalgan, provincial capital of Charhar, June 5. The vanguards of the invading force were procceding along the Kalgan-Tolun (Dolonor) Highway.

Is It Possible that Marshal Feng Has Been Taking Money from Both Sides?

The Communist Party organ, *Pravda*, June 8 repeated its charge that Marshal Feng Yu-hsiang is acting as the agent of Japan in North China.

As against this, telegrams in the Chinese newspapers charged that Marshal Feng had established relations with the Third Internationale at Moscow through the introduction of his son, Feng Wei-kuo, who is a noted Communist. It is said that, under the new arrangement, Marshal Feng will receive a certain sum from the Third Internationale to finance his new campaign against the Government. It was alleged that Marshal Feng had already received a million dollars from Moscow, as well as a certain amount of ammunition.

Feng Said to Be Receiving Supplies from Outer Mongolia

A Peiping message June 7 stated that during the last few days a large number of fully loaded trucks had arrived in Kalgan from Urga, in Outer Mongolia. These trucks are carefully covered and the contents are unknown, but it is generally believed that the consignment is a part of the arms and ammunition Marshal Feng is receiving from Soviet Russia.

A Peiping despatch June 7 reported that the army under General Fang Chan-hai collided with troops under General Fang Chen-wu at Shalingtze, north-west of Hsuanhua, along the Peiping-Suiyuan Railway Line, and severe fighting is going on.

Peiping messages report freqent interruption of traffic on the Peiping-Suiyuen line. Passengers are subjected to rigorous inspection at three different places, namely at Kalgan by General Feng Yu-hsiang's followers, at Hsuanhua by General Fang Shen-wu's force and at Chinlungchiao by General Kuan Lin-cheng's soldiers.

Peiping was taken completely by surprise June 6 when a circular telegram, issued by the Manchukuo irregulars on the west of the Luan River, announced their whole-hearted support of Marshal Feng Yu-hsiang.

Nanking Hopes to Win Over Feng Peacefully

According to a Japanese message from Peiping, General Huang Fu received a telegraphic instruction from Wang Ching-wei, Chairman of the Executive Yuan, June 9 requesting him to employ peaceful means to win over General Feng Yu-hsiang, thereby preventing further armed disturbances in the north.

A delegate of General Sung Cheh-yuan left Peiping for Kalgan June 13 to communicate the latest proposals of the Peiping Military Council regarding the settlement of the Charhar situation. A *Reuter* message stated that one of the proposals requires Marshal Feng Yu-hsiang to issue a telegram abolishing his present military post.

Rengo alleged that General Fung Yu-hsiang had telegraphically informed General Yen Hsi-shan of his intention of leaving Kalgan shortly to enter Soviet territory.

Shanghai Journalists Give Dinner to Roy Howard

The Shanghai Newspaper Publishers' Association gave a dinner at the Hung For Lou restaurant in Shanghai to Roy W. Howard, general manager of the Scripps-Howard newspaper chain and executive of the *United Press* Association, Saturday, June 10. Mayor Wu Te-chen entertained Mr. Howard at a tiffin the same day at his home in Avenue Haig, at which many prominent Chinese and foreign journalists were in attendance. Dr. H. H. Kung was one of the special guests.

In a brief talk Mr. Howard asked for continuous efforts on the part of Chinese journalists against any censorship of news channels between China and America. Sze Liang-tsai, president of the publishers' association, praised the fairness of presentation of Chinese news by Mr. Howard's organizations.

Mr. Howard flew to Nanking June 11 in a government Sikorsky plane with Hollington K. Tong, managing-director of the *China Press*. They had dinner with Dr. Kung there and then proceeded to Nanking to see General Chiang Kai-shek.

U. S. Court for China to Come Under Department of Justice

One of the features of the new Roosevelt economy program under which it is hoped to reduce Government expenses by U. S, $ 900,000,000 is that all Federal courts of every description will, under the new bill, be under the Department of Justice. The order will include the United States Court for China, which, since it was established in 1906, has been operated under the Department of State. There will be no change in the general procedure but the appropriations will now be accredited to the Department of Justice and the appointments recommended from that department instead of the State Department.

Japanese in the Straits Settlements

BY M. SALCIUS

I.—Straits of Singapore—the Gates to the Far East

THE Straits Settlements, comprising the Island of Singapore, the Town and Province of Malacca, the Territory and Islands of the Dindings, the Island of Penang, Province Wellesley, the Island of Labuan, the Cocos or Keeling Islands, Christmas Island and closely connected with them the Federated Malay States, Brunei, semi-independent state of Sarawak and the state of British North Borneo constitute the real gates to the Far East from the West.

The Straits are of particular importance to the British Empire, as they are a stronghold commanding the accesses to India, South Africa, to a considerable degree to Australia and the most of her other dependencies and colonies on the triple Afro-Eurasian Continent. Recent construction of the British Naval Base in Singapore in that respect is quite a justified matter.

Japan has not failed to realize the significance of the place long ago, since the moment she formulated her expansion plans in the Far East, perhaps in the period of Meiji—expressed in Tanaka's memorial and in the "Five Circle Plan."

The immigration of the first Japanese nationals to the Straits began since the inauguration of regular steamship lines from Japan to the West via Singapore.

The increase of Japanese colonization, however, did not take place till 1896, when their Colonial Department was established and when it assumed the shape of a systematic and state-subsidized undertaking.

II.—Japanese in Rubber and Iron-Ore Businesses

The Free Port of Singapore (till January 1, 1933) offered a very good opportunity for the Japanese to come with their businesses to the Straits territories and to settle down. The fever of growing rubber plantations with the end of the nineteenth century did not escape the attention of Japanese settlers. They acquired also five estates in Johore state near Singapore with a total area of approximately 15,000 acres and they are still operating them.

The mining industry was next engaged in. One of their companies, operating under the aegis of the well-known Mitsui Bussan Kaisha leased an area of about 3000 acres, bearing iron-ores, and established a mine with a loading port, which at present, by a strange coincidence of circumstances, is located in sight of the newly constructed British Naval Base.

The invitation of Japan by Great Britain in 1914, as an ally, bound to help in time of war, to police the Straits as well as the other Far Eastern waters with her navy against the possible activities of the flying cruisers and submarines of the enemy, and in particular the suppression of the Indian Rebellion in the country in 1915, offered Japan a splendid opportunity to strenghten her position and influence in the Straits Settlements, and generally the whole of Malaya, or Malaysia, as some Malayans like to call it.

III.—Borneo—the Center of Japanese Attention

The number of Japanese nationals in the Peninsula is increasing rapidly. In 1920 it reached six thousand persons (at present about 7,000). In particular they concentrate their attention on British North Borneo. The port of Sandakan was chosen by them as the most suitable for their purposes. They widen here the activities of a branch of the Taiwan Bank, founded previously, which backs financially all the undertakings of their nationals. Besides numerous Japanese shops and stores, they established here two hotels, several lumbering agencies and a special company "The Borneo Shokusan Kaisha," incorporated in Japan with an acreage of over 2,000 acres for the cultivation of rubber. Recently this company has been extending its activities to tobacco, cocoanut, gambier and various spice plantations.

Simultaneously, the Osaka Shosen Kaisha has put three steamers into service between the ports of Keelung, Amoy, Swatow, Hongkong, Manila, Sandakan, Makassar, Sourabaya, Samarang and Batavia, designed to take Borneo Island into the sphere of their activities. The line is at present being extended and is bound up with three principal Japanese trans-ocean lines, plying between Japan and Australia, Europe, South Africa, South America East and the Pacific Coast. The Japanese steamers are those most frequenting the port of Sandakan. The commercial life of the whole of Northern Borneo depends to a large extent on Japanese supplies. Qualified Japanese engineers and surveyors visit the place on the pretext of assisting their compatriots to ameliorate their cultivation. The specialists penetrate the interior of the island and utilize the occasion to explore its natural resources, population and general conditions of the country. There is consensus of opinion in the Straits Settlements that this sparsely inhabited islands is all-during Japanese the most.

IV.—Japanese in Singapore and Penang

The largest Japanese colony in the Straits settlements is in Singapore City, amounting to something over 3,000 persons. The bulk of them are engaged in the branch-offices of various principal Japanese overseas trading companies, numbering about 30, among which the three principal steamship lines, two cement, three textile, and the toy, tool, sundry goods factories etc. are the most prominent. The rest of the number are busy in the stores of "the bazaar type," restaurants and photograph shops, teahouses, dry cleaning and similar institutions.

Next in size among Japanese colonies in the Straits is Penang, where the number of their nationals is estimated at over 500. They are here engaged also in the branches of the same companies and enterprises as in Singapore. Then follow the Japanese colonies in Kuala Lumpur, the town of Malacca. There is practically no town of any importance which has not at least one Japanese family.

The colonists and residents maintain strong bonds with their centers in Singapore and Penang by means of their travelling agents, visiting each place at least once a week.

V.—Japanese Interest in Malayans and Indians

Among the inhabitants of the Straits Settlements the Japanese are interested the most in the native Malayans. There are some of their nationals in the Settlements, who have embraced Islam, and are treated by the Mohammedans as of their own fold. Almost all of them possess a good knowledge of the Malayan language, which here is the "lingua franca;" they also take a keen part in Malayan social activities.

The unprecedented fall in prices of rubber since 1926 from about three Singapore dollars per pound to about twelve cents per pound at present, caused many foreign firms to curtail their activities and to withdraw a part of their personnel; but the Japanese have retained their colony intact with all their establishments and employes. They seems to be determined to maintain "their positions" in the Settlements to the last, "for the future."

From here India with her unrest and market is in sight and Singapore is serving as one of the distributing centers of Japanese material and spiritual goods to the East Coast of India, Burma and partially Siam.

The Japanese colonies in Singapore and Penang are also connected with their kinsmen colonies across the Straits in Sumatra and across the overland frontier in Borneo. Their incidental activities are similar and interdependent.

The possession of their own steamship lines assures them postal and other communication and co-ordination of their activities, regardless of interruptions from outside sources.

Recent abolition of the Free Port status of Singapore will affect the Japanese colony, very little, as it enables Japan already now to raise any demands to the authorities of the Straits Settlements "to satisfy the needs of their citizens."

Geneva, June 1, 1933.

Millington & Co. Suffer from Sino-Japanese Conflict

At the annual meeting of Millington & Co., Ltd., British advertising and printing concern in Shanghai, held June 9, Col. M. H. Logan, presiding, stated that the loss on the year's working amounted to Tls. 28,341. Of this, Tls. 18,528.87 was on Shanghai account and Tls. 9,812.13 on Hongkong account. The main reason given for the loss in Shanghai was the Sino-Japanese conflict in the early part of the year; owing to the serious dislocation of business during this period, the cancelments and bad debts increased to Tls. 92,510.61,—about double the normal figure. Many of these cancelments meant money expended, which was never recovered, the Chairman explained.

What Has Marshal Feng Yu-hsiang Up His Sleeve?

BY PAUL K. WHANG (王仲芳)

WE are very grateful to Marshal Feng Yu-hsiang who has once and again entertained us with his amusing stunts. As a political actor, he has enjoyed an international fame. His repertoire seems to be inexhaustive, his costume is typical, and his movements are enigmatic. He is a shrewd politician as well as a military strategist, and has proved himself equally capable in the battlefield as well as on the platform. His versatility fits him to play every part with equal ease. As an apostle of Christianty, he was known as the "Christian General," and as a proponent of Bolshevism, he was hailed as the "Emancipator of the Masses." He has starred in every major political melodrama during the past two decades, and it has come to such a pass that no political performance would be attractive enough without his participation. Although his popularity has very much dwindled of late, his name is still a drawing card to the Chinese populace.

At the time when we are free of political and business worries and longing for something spectacular to relieve our monotonous life, Marshal Feng's political stunt, though poorly staged and bluntly performed, would be watched and followed with interest. But when the fate of our country hangs in the balance and the national crisis is at its acute stage, his performance, no matter how exciting it may be, can not but be looked upon with tears in our eyes.

Prior to the outbreak of Shanghai hostilities last year, it may be recalled, Marshal Feng graced our city with his dramatical appearance in his typical village attire, and won much public favor by his timely denunciation of the policy of non-resistance in his many public speeches. He was lavishly entertained and publicly proclaimed as the leader of the people. On the Manchurian crisis, he compared the Japanese invasion of Manchuria to the presence of robbers in one's house. In the latter case, all the members of the household, he said, would do their best to expel the robbers and if they should wait and consider measures of defense, they would be killed before they could do anything to the marauders.

The "Hermit" of Taishan

Since his Shanghai trip, he secluded himself as a "hermit" in the sacred mountain of Taishan, Shantung. For eight months, he indulged himself in fishing and farming and watched the new developments of Sino-Japanese complications at a distance with indifference. When the Shantung war was in full swing last September between Gen. Han Fu-chu and Gen. Liu Chen-nien, the former being one of his subordinates, he suddenly left his Shantung abode for the alleged reason of "seeking a better place to recover his health in the Northwest." His movement gave rise to a crop of rumors alleging that he had been working with Gen. Yen Hsi-shan, Marshal Wu Pei-fu and Gen. Han Fu-chu to reinstate Marshal Tuan Chi-jui in power and that he had been in favor of a monarchical restoration movement.

Since then he has been recovering his health in Kalgan on the edge of Manchuria. While in Kalgan, he has no longer been as reticent as in Shantung. First he issued a 4,000-word message to the people urging various fundamental reforms devoted to the establishment of a really united central government capable of offering resistance to Japan and recovering the lost territories. Then when the Japanese were on their march to Chengteh, the Capital of Jehol, he addressed a unique and interesting letter to Gen. Chiang Kai-shek advising what the latter should do in coping with the national crisis. Later, when the war was extended to the south of the Great Wall, he declared that if the Japanese dare to invade Kalgan, he would fight to death with his two pistols.

Now in the wake of the northern truce, he issued a manifesto denouncing the Nanking government and appointed himself Commander-in-chief of the "People's Anti-Japanese Allied Forces." He has gone so far as to detain the rolling stock of the Suiyuan railway, replace the high officials in Suiyuan with his own men, impose an arbitrary tax on the people, and press the people into military service. Although he said that he was only opposed to the Japanese invasion and to the truce in North China, his movements can not be considered as other than a challenge to the authority of the Nanking government.

His manifesto has been received with coolness on the part of the people, because the public really do not know what he has up his sleeves. Even the most ardent advocates of the policy of resistance have looked upon his present movements with suspicion. One may ask if he really has a determination to fight the Japanese, why does he not make his appearance on the battlefield ere now? During the Shanghai war, it was generally believed that the marshal, who advocated a strong militant policy against Japan, would rush his picked soldiers to reinforce the 19th Route Army and the Chinese press even reported the arrival of his big sword corps at the front. But he greatly disappointed the people by his non-appearance.

Then again, during the Japanese invasion of Jehol, the marshal, who was close to the scene of war, could easily lead his followers to fight the Japanese with his two pistols. But besides talking on paper, he was contented to live in retirement in Kalgan and watch the fall of Jehol with equanimity. On these two occasions, he could easily have redeemed the promises which he had made profusely in his speeches at Shanghai and elsewhere, and thus have regained the public esteem, in which he had been once held.

It is really curious that he, who before had many chances to serve his country when his service was anxiously solicited, should lead his army to fight the Japanese at the present time when the northern armistice has already been definitely concluded. Of course, we are far from being satisfied with the terms of the northern armistice, when an area of more than 50,000 sq. mi. has become demilitarized, not mentioning any "secret clauses" which may be attached to the agreement. But we have to swallow this bitter pill, when many of our military leaders either had no mind to fight the Japanese or preferred to stand on the sidelines to watch the developments as Marshal Feng did. If he is really opposed to the Japanese invasion and the terms of truce, he should long ago have volunteered his service to strengthen China's resistance so as to save our present disgraceful surrender.

Marshal Feng, being a military man and wielding a considerable influence over North China, should not confine himself to empty talks as the civilian officials have habitually done, and should do what a soldier is bound to do during the time of national crisis. While in Shanghai, in one of his speeches, he said, "What is the use of keeping a huge army if it is not used for the defense of the nation? We domesticate cats and dogs, because we want cats to catch mice and dogs to watch doors. Is it not a pity that we spend millions of dollars every month for maintaining our armies and yet we find that they can not defend our territory?" If he really means what he says, he should set himself a noble example for the lesser military leaders to follow.

Marshal Feng's Insincerity

Therefore, in view of his past gestures, Marshal Feng's present movement can not be said to be directed against the Japanese invasion, but against the Nanking government. That he has no sympathy with the present Nanking regime is a patent fact. As an opportunist, he harbors a design to concoct the downfall of the Nanking government on the pretense of the northern truce.

If this is what the marshal aims at, his movement can not survive long in face of the present public feelings. Many public organizations have already warned the leaders of the different political camps that the Chinese people would not countenance the recurrence of civil war and would condemn any one who dared to start any separatist movement at the present juncture.

That the Nanking government is a great disappointment to us can not be gainsaid. But at this time of national crisis, we must give it our undivided support, no matter how defective it is. To renew civil war at the present time will only play ourselves into the Japanese hands, and make ourselves ridiculous in the family of nations. In a word, we have suffered enough from the recurrence of civil war and as a result we can not defend ourselves in face of a foreign enemy. Should no change be made and should we continue to fight with each other, China will soon be wiped off the map.

If Marshal Feng is dissatisfied with the present government, let him tell us frankly where his dissatisfaction lies. If his reasons appeal to us, we can rise up ourselves to reorganize the government in conformity with his advice when the opportune time comes. Then why should the marshal take upon himself the task of reorganising the government all by himself?

Shanghai, June 12, 1933.

China and the World Economic Conference

BY C. Y. W. MENG (孟 昭 涛)

IN 1927 the first world Economic Conference was held in Geneva. The chairman who presided at the meeting said that the conference had opended a "new era" in history. But the economic crisis which we are facing today indicates that the world has made no improvement since 1927, and that the first Conference did not solve any of the world economic problems. It now behooves the second Conference in London to solve some of these problems.

The holding of the present Conference has been a subject of much discussion for a long time. The Lausanne Conference which was held last year, aside from settling the reparation problem for Germany, also decided to hold an Economic Conference in the near future to discuss world economic problems. The present conference is participated in about by 70 countries, It is the most important and significant world conference since the Washington Conference in 1922.

A Chinese View of the World Economic Situation

It is not hard to understand that the holding of the Conference is generally appreciated by the world over and is considered as necessary and timely. Since the fall of 1929 the world has been facing a world-wide depression and an unprecedented economic crisis. There are many reasons for this, and we may state some of them.

First: Over-production due to improvement in the methods and means of production and application of scientific methods in the management of industries, causing reductions in the cost of production to the lowest degree but greatly increasing the products far beyond the purchasing capacity of the people throughout the world.

Second: Decrease in purchasing power due to continuous payments in form of reparations, war debts by the debtors to the creditors, which are entirely non-productive but only a drain on national revenue; and lastly, due to sudden but tremendous fall in the price of silver, this greatly causing a decrease in the purchasing power of the people in the silver standard countries.

Third: Manipulations and unscrupulous speculations indulged in by the bankers in New York, London and Paris, together with the many selfish regulations governing the foreign exchanges, all causing more complications to the economic situation in the world.

Fourth: The high protective tariff wall, harmful not only to the nation to which the tariff is applied, but also to the nations which enforce it.

As a result, every warehouse is full of unsold goods. Many of the commodities have to be destroyed. Many banks have to be closed. Many bankruptcies are declared. The number of the unemployed, according to the current report, is 300,000,000, not including those who depend upon the unemployed for a livelihood.

To be brief, we may conclude that the fundamental cause of the present economic crisis which we are facing is the result of the continuous over-development of nationalism and complete absence of internationalism among the people in the world. That is to say there is no international cooperation with a view to bringing about prosperity to all in the interest of humanity, but there are too many selfish policies and actions indulged in by different people to further and protect their own interests at the expense of others.

So, in order to free ourselves from the present difficulties, we hope all countries represented at the London Conference will confess the blunders they have committed before, and will engage in a series of heart-to-heart talks of such problems like the reparation and war debts problems, tariff problems, monetary problems, production problems, etc. It seems to us that the 70 countries should now realize the following facts:

First: All countries in the world should realize the nature of the problems we are facing today. That is, all these problems are international in character, and no solution is possible unless by concerted efforts and international cooperation.

Second: All countries in the world should realize the interdependence of nations. Such interdependence demands that nations, in drafting their policies and future course of action should not pay attention only to their national interests but to the world interests as well.

Third: All countries in the world should realize the importance of mutual assistance and sympathetic cooperation in freeing themselves out of the difficulties, and should place a policy of friendliness in place of aggression, for aggression leads the world to armed conflict while mutuality leads to the development of friendly understanding and feeling and international trade, thus bringing about prosperity to all.

Fourth: All countries in the world should realize the impossibility as well as inadvisability of either enforcing the gold standard, or abolishing the silver standand uniformly, or vice versa, throughout the world. The best way out is to retain the gold standard in some countries while abolishing the same in some countries which really have not gold enough on deposit and adopting the silver standard as is the case with China. But the important point is that there should be a definite ratio of exchange between gold and silver, thus elevating the value of silver, and thus putting the countries, whether adopting the gold or silver standard, on a sound financial standing.

Plea for Sympathetic Cooperation

We plead for sympathetic copperation to iron out our difficulties. By cooperation, we mean: cooperation within a country and cooperation among all countries in the world, that is:

1. Close cooperation between the government and producers.
2. Close cooperation among the producers of the same kind of commodities.
3. Close cooperation among all producers.
4. Close cooperation among all producers in different countries.
5. Close cooperation among the governments in different countries in the world.
6. Close cooperation between the employers and employees.
6. Close cooperation among the producers, merchants and consumers.
8. Close cooperation among the banks within a country.
9. Close cooperation between the banks and the government.
10. Close cooperation among the banks in all countries in the world.

It is thus clear that by sympathetic understanding, mutual assistance and close international cooperation among all people much can be done to remove the economic crisis, thus eventually leading the world out of difficulties.

China Holds the Key to the Solution

The world is now facing an unprecedented economic crisis, and the world must find some way out. It is suggested that by disarmament, by removing the high tariff walls, by stabilizing gold and silver, etc., much would be done towards removing the present crisis. This is ultimately true. But we must admit that some of these steps are hard to be carried out, and some of them are highly impractical, without further actions. As far as the Chinese can see, the best and easiest way for the world to be free of the present difficulties is through the economic development of China.

The economic problem which is facing China today is not only a Chinese problem; it is really a world problem. The prosperity of China meaus the properity of the world in general. A strong and developed China is really a blessing to the world. The world could not leave China alone, and the world could not solve any of its problems without China's assistance and active participation. "Whoever understands that mighty Empire (China) socially, politically, economically, religiously holds the key to world politics in the next five centuries," declared John Hay.

Here is a big country which is far bigger than the whole of Europe and which comprises one-fourth of the world population. So long as these people are in a miserable condition, the world must be in a miserable condition also. So long as these people are in economic difficulties, the world must face the same difficulties. So long as these people, who are intelligent and industrious are in a backward stats with their productive power and purchasing capacity, natural resources, etc., undeveloped, the world has no way to solve any of its economic problems. In other words, the improvement of the

economic condition in any other country in the world, no matter how wonderful and material they may be, is only an improvement of a very small portion of the people in the world. But the improvement of the Chinese people means the improvement of one-fourth of the people in the world! Thus the improvement of the economic condition in China means the improvement of world economic condition. In discussing this point, we can do no better then to quote what is said by Dr. Sun Yat-sen, the father of the Chinese Republic, in advocating "international cooperation and assistance in the economic development of China as a means to solve the world economic problems."

Dr. Sun's Plan of International Development of China

In his statement explaining the international cooperation for the development of Chinese industrial plans, Dr. Sun said that after the Great War, the world was exhausted and a new economic crisis was sure to follow. Production was sure to be increased, for millions of people who took part in the War now reassumed their industrial works. But the capacity of consumption has not kept pace with the production, due to world wide-depression after the warfare. The number of unemployed was sure to run high. "But fortunately, China is very rich in natural resources. If her natural resouces are developed, China will be the world's greatest and most capacious market for the world's products," said Dr. Sun.

"During the time when China is just undergoing an industrial revolution, China has to use more machinery to develop her agricultural and natural resources, to establish many factories and plants, etc. China is the best market for foreign machinery. The ammunition plants, formerly used for the manufacture of artillery etc. for the war, should now be turned into manufacting trucks, motor cars, etc., for transportation and construction of roads in China. Similarly with other factories which would otherwise be idle" explained Dr. Sun. He also pointed out that this is one of the ways to solve the world unemployment problem.

Dr. Sun agreed to employ foreign capital to develop Chinese industries under certain conditions, and he pointed out that to buy more machinery from foreign countries which have no use for them is equivalent to the employment of foreign capital, thus solving one of Chinese problems—lack of capital and equipment. He then appealed to the world to give China more international efforts, assistance and cooperation, and to teach China the technical skill and organization systems to enable her to develop herself to solve part of the world economic problems. He then presented his well drafted industrial plan for China. Due to lack of space, we can only set out a summary of his plan, which is as follows:

China's Six-Year Industrial Plan

1. Development of means of transportation and communicaton:
   a. Construction of 110,000 miles of railways.
   b. Construction of 1,000,000 miles of highways.
   c. Improvement of present canals.
   d. Opening of new canals.
   e. Improving and installing telegraphs, radio, telephones throughout the whole country.
2. Opening of harbors.
3. Establishment of new municipalities in the commercial harbors or the center of the railways, together with the develompment of public utilities.
4. Development of water powers.
5. Development of steel and iron and opening of steel and iron factories.
6. Development of mines.
7. Development of agriculture.
8. Development of means of irrigation in Mongolia and Sinkiang.
9. Development of forestry in North China.
10. Emigration of the people to the Three Chinese Eastern Provinces, Mongolia, Sinkiang, Chinghai, Tibet, together with starting the frontier movement.

"If the above plan is materialized, China will not only a good market for consuming foreign surplus goods, but a good place for investment of capital, making the foreign capital useful rather than idle. Thus, what is called competition, commercial war, etc. would be forever averted. In other words, the industrial development of China through international assistance and cooperation would also extirpate the very roots of warfare in the future," said the late leader.

But unfortunately, the world did not listen to Dr. Sun's appeal. But at any rate, what was advocated and said by the late leader years ago still holds good today. The industrial development of the United States is a blessing to the world and does much to bring about the prosperity of the world. But the industrial development of 450,000,000 people is sure to be a greater blessing and will do more substantially to bring about prosperity to the world. At present the productive power of the Chinese is low, and the purchasing power of the Chinese is equally low, being estimated at $0.20 per capita. But a slight increase of $1 per capita, which is quite possible in the purchasing power of 450,000,000 people will mean $450,000,000 to the world trade!

At present China is undertaking many industrial enterprises, all of which require big capital and equipments. Due to her economic condition within it is admitted that it is impossible for China to raise the required capital. China needs foreign capital and equipments and the service of foreign technical experts.

Since 1920, there has been no consortium which would advance money to China for any useful and constructive purpose. The reason is obvious. On one hand, due to her past painful experiences China has become too timid to make any loan with foreign governments, nationals, or firms, fearing that the contracting of such loans would impair China's territorial and sovereign rights. On the other, due to the political situation within China, the lenders have been hesitating to advance any money to China.

In the past, China had contracted many loans with foreign powers. In name, these loans are designated and earmarked for the development of Chinese industries or construction of railways, but in fact, these loans are political in character. Many of these foreign loans were used to instigate or prolong the civil war in the country; or as a financial assistance to certain military cliques to keep them in power; or such foreign money has gone into the pockets of certain individuals, or such foreign money has been used to meet governmental expenses. As a result, China might have contracted many foreign loans, but no constructive plan has even been put in execution. To be sure, such loans, having a political meaing, are not the loans which China wants.

International Cooperation---Some General Principles

As explained above, the improvement of the economic condition in China means the improvement of world economic conditions. It now behooves the present Economic Conference to discuss among other subjects, the need for international cooperation and assistance in the economic development of China. There are a few general principles which we would like to mention and they are as follows:

Formerly foreign loans were advanced to China, all more or less carrying some political meaning, but now loans should be advanced to China with a genuine desire to help this infant Republic to develop herself to solve her own problems as well as world problems.

Formerly foreign loans were advanced to the Chinese Government, but now the loans should be advanced to the Chinese national banks, which would utilize the loans for purely industrial and constructive purposes in the most profitable ways.

Formerly the foreign loans were secured on Chinese customs revenues, but now the loans should be secured on the profits to be derived from the undertakings.

Formerly the foreign loans were used mostly for railway construction purposes but now the loans should be used for the development of basic industries.

Bank of International Settlement Suggested

We may add that the Bank of International Settlement may be established to facilitate and undertake the investment of capital in the Chinese industries.

China. on her part, should do what she could to put her finances in order and elevate her national credits and to demonstrate her determination and ability in carrying out her economic reforms and industrial program.

Aggression to Be Restrained

Lastly, all countries in the world should do all they can to stabilize the political conditions in all parts of the world, especially in the Far East. The present situation in North China, created by the invasion and occupation of Four Chinese Provinces and the establishment of Manchukuo, the puppet of Japan, the aggressor, is too dangerous to the peace of the Far East and to world

peace in general. It is our conviction that without first stabilizing political conditions, it is impossible to carry out any of the steps discussed above. The Japanese action in Manchuria is not only making it impossible for the Chinese to carry out any constructive works, as all available financial resources and engergy have gone to the meaningless warfare between the Chinese and Japanese forces, but is really putting up a great obstacle to the economic improvement of the world. If the Japanese aggression in China does not cease, the world will have to go back the old order of the day just preceding the Great War. Disarmament is impossible; rivalry, economic and political, is revived. Another calamity to the world is sure to come. There is absolutely no hope and chance to solve any of the world economic problems. Therefore, we hope earnestly that the present Conference will realize that stabilizing political conditions throughout the whole world and maintaining international agreements is a "condition-precedent" to the betterment of the economic condition of the world. All the countries in the world should, therefore, take more concerted actions to restrain the aggressor and should take more effective ways in causing the Japanese, the aggressor, to leave Chinese soil, telling them that the present civilized world has no place for the aggressor, and that any people who invade the territory and soverign rights of the other is not only the enemy of the invaded, but is the enemy of the whole world and is condemned as a disturber of the world peace, social and economic order.

We hope equally earnestly that all countries in the world will realize that by giving every kind of economic, financial and technical assistance to China to develop herself, it will not only have the effect of developing this country, thus bringing about prosperity to China and solving many of the world economic problems, but will have the same effect of discouraging and disheartening the aggressor, for such international cooperation and assistance will clearly demonstrate to the aggressor that the whole world is now helping China to develop herself, whereas the aggressor is trying to destroy China and spoil the international efforts. The present world is essentially an economic world, and economic force is altogether powerful—probably more powerful than diplomacy, and is sufficient to kill an aggressor. In other words, to give every kind of assistance to China to develop her industries and to improve her economic conditions as a means to improve the world economic condition and to solve the world economic difficulties, and to employ the economic forces to kill the aggressor should undoubtedly be the true mission of the Second World Economic Conference.

Nanking, June 12, 1933.

American Oil Man Says Soviets Practically Monopolize Kerosene Market

W. S. Grant, Far Eastern manager of the Union Oil Company, is at present in Shanghai. He left the United States six weeks ago, in the meantime having visited representatives of his organization in Manila and Hongkong. He was a Shanghai bound passenger on the S.S. *President Coolidge*.

Mr. Grant in an interview said that the rate slashing tactics of Soviet fuel distributors have greatly affected the gasoline, kerosene and Diesel oil trade in the Far East. The tariffs recently imposed by the central government on motor fuel imports have also affected the China oil market he said.

According to Mr. Grant, the Shanghai kerosene trade has been practically monopolized by the Soviet producers, and the distributors of American and Asiatic oil are facing an increased competition for the sale of gasoline in the Orient.

Pekin Syndicate Asks to Have Railway Loans Refunded

Recent Chinese telegrams from Nanking stated that the Ministry of Railways has received a communication from the Pekin Syndicate in Honan demanding the payment of interest of £24,000 on the loan made to the Chinese Government for the construction of the Tao-Tsing Railway in Honan. The Pekin Syndicate declares that if the interest on the loan cannot be met, the Ministry should grant the Syndicate full rights to control the line. It is understood that the Ministry of Railways has decided to reject the demands of the British concern.

Four Power Pact Envisages Ten Years of Peace in Europe

The initialling of the Four-Power (Great Britain, France, Germany and Italy) Pact, which was originally set for May 31, but postponed so as to make changes in the text, thus meeting objections raised by Germany and France, took place in Rome June 7.

The preamble of the Pact expresses the conviction of the signatories that the disquiet throughout the world can only be dissipated by reinforcing their solidarity so as to strengthen confidence in the peace of Europe.

Under article I, the signatories undertake to make every effort to pursue, within the framework of the League of Nations, a policy of effective co-operation between all the Powers with a view to the maintenance of peace.

Article II stipulates for an exchange of views particularly with a view to applying the provisions of the League Covenant, especially Article X (maintenance of territorial status quo). Article XVI (sanctions in case of aggression) and Article XIX (revision of treaties).

Article III lays down that in case of the failure of the Disarmament Conference, the four Powers shall consult to find a solution of unsolved problems.

Article IV states that the four Powers may likewise consider economic questions in which they have a common interest in Europe.

Article V fixes the duration of the Pact at ten years, but if no Power has given notice of termination before the end of the eighth year, the Pact will remain in force indefinitely, each party then having the right to terminate it by giving two years' notice.

The Pact will come into force as soon as the necessary ratifications have been deposited in Rome.

A recent British White Paper quotes Sir John Simon as stating that the Four-Power Pact was never intended to involve any attempt on the part of the Four Powers, if not to impose their will on other States, at least to establish themselves as some kind of directory in Europe. Such a conception would be entirely foreign to the principles of the Covenant, which recognizes the equal rights of all States just as in appropriate cases it requires their unanimity, Sir John said.

Poland May Resign from the League

The Warsaw official *Gazetta Poliska* June 6 stated that Poland would possibly resign from the League of Nations if the pact were to materialise.

Radek Discusses the Four-Power Pact

Writing in *Izvestia*, organ of the Soviet government, Karl Radek, discussed the Four-Power Pact, among other things saying:—"All attempts of the Western Powers to ignore Soviet Russia, a power with a population of 165 millions, which has a vast industry and which enjoys the sympathy of all that is best in humanity, while simultaneously trying to settle European questions, are simply ridiculous. Such attempts show that the Western Powers overestimate their strength while underestimating that of Soviet Russia."

A Geneva message June 7 stated that difficulties on practically every important issue, including security, naval and aerial disarmament and the definition of an aggressor, had again plunged the Disarmament Conference into the doldrums and as a resnlt the bureau of the executive committee decided to adjourn until June 27.

Japan's Fear of Aircraft

If certain apprehensions Japan feels about her national security could be eliminated, Japan would accept the complete abolition of air bombing, Mr. Sato, the Japanese delegate, told the Disarmament Conference at Geneva, June 8. Mr. Sato said that the total abolition of aircraft-carriers was necessary, as well as absolute prohibition against equipping vessels of war with landing platforms. It was also necessary, he declared, to secure an agreement efficiently to prevent civil aircraft from being used for military purposes in the event of War.

As a sequel to Viscount Ishii's visit to President Roosevelt, a Tokyo dispatch June 9 intimated that a general arbitration treaty would probably be signed between Japan and the United States. It was, however, authoritatively stated in Washington June 7 that the understandings reached between President Roosevelt and Viscount Ishii did not include an arbitration pact.

Tokuzo Komai Reveals His Role in Manchurian Intrigues

BY HOH CHIH-HSIANG

NO true history of the present Manchurian Crisis can be written in future without mentioning the name of one Japanese adventurer and plotter, Tokuzo Komai. As one individual Japanese, Komai is perhaps more responsible than any other of his fellow adventurers for fomenting and perpetuating chaos in Manchuria and more deeply and consistently involved in underhand politics and intrigues which have paved the way for the advent of the present crisis. Komai had been devoting himself to insidious activities for many long years in the dark in Manchuria. When at last the Mukden Affair came on September 18, 1931, he began to see his efforts bear fruit and suddenly emerged from obscurity triumphant.

Komai came into limelight by the role he played in the organization and founding of the puppet state "Manchukuo" and his conversations with the League of Nations' Inquiry Commission at Changchun. He has now climbed so high in his career as a "Chinese ronin" that he has thought himself of sufficient importance as to owe to the public an exposition of his life. He has recently published an autobiography in Japanese which contains many startling revelations of his intrigues in Manchuria and has aroused considerable attention in interested circles. However, despite the importance of his part in the setting up of the bogus state in Manchuria, perhaps few Chinese south of the Yellow River have had any detailed acquaintance of him beyond his name, but the effect of his intrigues is now being felt by every one in China who, directly or indirectly, is victimized by the Manchurian Warfare. For this reason, Komai—the man and his work—should be made known to every Chinese in order to appreciate the significant truth that the Japanese both individually and as a nation have long harbored evil designs on China, bent on the seizure of Manchuria and ultimate subjugation of the whole country. The long chain of civil disturbances in China, since the establishment of the Republic, especially during the days of the Peking Government, was nine out of ten cases engineered by Japanese intrigues all with the object in view—keep China divided and in perpetual chaos. They are not isolated incidents, but represent just so many premeditated step on the part of Japan leading up to the realization of the Japanese aim which is so eloquently set forth in the famous Tanaka Memorial to the Japanese Emperor.

First, let us see the background of the man. Tokuzo Komai is a middle aged man and is now forty-eight years old, born in a village on the shores of Lake Biwa. As early as when he was in his teens, he began to take an interest in China—which became something very specific in his mind, after having heard of one Sei Arao, a typical soldier-patriot of the middle Meiji Era, who participated in the Sino-Japanese War of 1894-95. Arao had a deep knowledge of China and Komai heard him talk about the country as a boy of 13. When he was studying at the Second Prefectual Middle School at Kyoto, he read a book called "Thirty Years Dream"—a biographical memoir of a "Ronin" and scholar of things Chinese, the late Toten Miyasaki. (By the way, the word "Ronin" needs to be defined. In its use relating to China, the word indicates a Japanese patriot who devotes himself to the exploitation of China for the benefit of the Japanese Empire). This book gave Komai concrete ideas about China and determined his life work. After graduation from the Middle School, he entered the Agricultural School at Sapporo, Hokkaido. While a student at Sapporo, he became a special correspondent of the *Hokkai Times* in Manchuria and upon graduation, chosed the study of Manchurian soya beans as the subject of his graduation thesis.

After graduating, he joined the service of the South Manchurian Railway where he stayed for nearly ten years during which he had occasion to travel extensively in both North and South Manchuria and also Eastern and Inner Mongolia, studying the country from three angles—language, nature and man. In the course of his long service with the Railway, he gradually built his contacts with influential Chinese officials like the late Marshal Chang Tso-lin, Yu Chun-han (the murdered President of the Control Yuan of "Manchukuo") and laid the foundations of his extensive and long intrigues in Manchuria. Perhaps, a little too ambitious and too impatient to realise his budding plots, he quarreled with Nakanishi, then vice-President of the S. M. R. over the policy of the Railway and left the Railway to roam in China as a "Chinese ronin" to learn and accumulate China's secrets on his own behalf. After spending several years in the interior of China, he returned to Japan in 1920. K. Yoshizawa who was then serving as head of the Asiatic Bureau in Tokyo's Foreign Office, picked him up as a sort of advisor. But shortly afterwards, he was offered an important post by the S. M. R., but the sudden death of his appointee, Senkichi Hayakawa, President of the Railway in 1922, blasted his hope of rejoining the Railway.

At that time and in the few years immediately following, Manchuria was crowded with events of internal politics. The crack Fengtien Divisions led by the little but ambitious Chang Tso-lin were hotly embroiled in wars with the Chihli faction inside the Great Wall for the domination of China. With keen eyes, Komai saw his opportunities to further his intrigues. Soon an opportune moment came in 1925, when Gen. Kuo Sung-lin revolted against the Manchurian Warlord and marched back his army from Shanhaikwan to Mukden, demanding the cessation of civil war and the retirement of Chang Tso-lin. Komai intrigued with Kuo and took an active part in the rebellion. As he revealed by his own words, he not only connived with Kuo but actually instigated him in bringing about the revolt. While Komai was thus helping Kuo in his rebellious activities, the Japanese Army in Manchuria on the other hand was supporting Chang Tso-lin to counter-balance Kuo's growing power. In this way, Japan was faithful to her traditional tactics in dealing with China, that is, helping China to perpetuate civil strife so she may profit from her chaos and her weakened strength. To Komai's keen disappointment, Kuo's rebellion collapsed as a result of the more substantial support Chang received from the Japanese Army, whose views on the situation then were divergent from those of Komai's. After the episode, he bitterly complained of the lack of far-sighted men in the saddle in Japan and said that had his advice been accepted and acted upon, "Manchukuo" would have long ago been established without having to wait for the year of 1931.

After the failure of the Kuo's coup, Komai, poignantly disappointed at the loss of the opportunity, gave up all his connections in Manchuria and returned to Japan to live in retirement. He decided to let time to take its course and waited for fresh opportunities to resume his insidious work. As Japan was bent on seeking new incidents to furnish her pretext for military action, the prospects of such favored moments are abundant. After vainly waiting for some years, an opportunity at last came.

In May, 1931, the Wanpaoshan Incident occurred and Komai was immediately on the move again. Shortly after the outbreak of the Incident, he was seen by Major Tajagi Wachi of the Army General Staff Office and, asked for his advice in dealing with the situation, he unhesitatingly advocated the use of force and outlined the measures which the Japanese Government should take in the settlement of the Manchurian and Mongolian problems. Then, the Nakamura Affair intervened. Komai waxed further enthusiastic and fanned the flame of the Japanese army men. He declared that the resort to arms was the only course to pursue under the circumstances and expressed regret that Japan did not adopt a bellicose attitude earlier. In August, 1931, he emerged from his retirement and prepared to proceed to Manchuria on his own account. The time was propitious indeed with an aggressive military force in Manchuria and inflamed state of public opinion in Japan that he forthwith entered upon a fresh and vigorous campaign of intrigues. He was offered the post as financial advisor of the Kwantung Army and accepted the appointment. Prior to his departure for Manchuria, he envisaged the establishment of a new state in Manchuria and when he went to see General Minami, then War Minister, his first advice was to overthrow the regime of Marshal

Chang Hsueh-liang and to seize the note issue of the various state banks in Mukden and elsewhere as capital for financing the new political establishment. Komai left Tokyo on October 18 for Manchuria and pending his arrival, Col. Doshihara, another notorious Japanese professional intriguer who gained fame for spiriting away Henry Pu Yi from Tientsin, was heading the Special Military Mission at Mukden. Komai's title of office was rather misleading, for he had nothing to do with finance of the Army; he was to head the civil arm of the Army—to offer counsel to the military in political and economic matters in Manchuria. Immediately after his arrival in Mukden, he set about his work and engineered for a political organization in the form of the Mukden Committee with Yuan Chin-kai as its Head and Chao Hsin-pei as the Mayor. With the assistance of a Japanese physician, Morita, he succeeded in inducing Yu Chung-han to come out from retirement so as to give weight to the political organ. Encouraged by the sweeping success of the Japanese Army, he proceeded to realize his long harbored plan for the creation of an independent state in Manchuria which finally led to the establishment of the puppet "Manchukuo" with Pu Yi as its figure-head. While the exact part Komai has played in the founding of the bogus state can not be ascertained, it is believed that he is credited with being one of the prime movers and energetic organizers of the new puppet state and the importance of his part was given signal recognition by his appointment as Head of the General Affairs Bureau and later as High Councillor of the "Manchukuo" Government.

Up to that time, Komai was still a rather dark-horse and had not gained any great notoriety. He was thrust into limelight internationally by his conversations with the Lytton Inquiry Commission in Manchuria. When the Lytton Commission was probing conditions at Changchun, Komai was recognized by General McCoy, American member of the Commission, and was asked to arrange for an interview with Pu Yi. Before arranging the interview, Komai laid down two conditions to the Commission. First, the members of the Commission should put on full dress as a respect due to a sovereign and secondly they should not ask any political questions during the interview. The commissioners complied and had a brief talk with Pu Yi which was rather formal and did not amount to much. The next day following the interview with Pu Yi, the Commissioners saw Komai for a talk. He readily consented. In the course of the long conversation, Lord Lytton remarked that the foundation of Manchukuo was rather too quickly done and seemed to indicate deliberateness with which the preparations must have been made in advance.

Replying to this pointed question, Komai revealed the truth. He said that contrary to the opinion of Lord Lytton, he was inclinded to believe that the foundation of "Manchukuo" was too slow. For the past twenty years or more, he said, the Japanese had been thinking of it. Two previous attempts had been made, but both failed. They have just been able to achieve it this time, thanks to the fact "Our just ideals and the wishes of the 30,000,000 people concided." Then, he mentioned a long list of favors which Japan had been doing China during this long period, but he said that China never appreciated them. Finally, he stated that things in China were such that the Japanese could no longer bear to look on without extending her a helping hand. The Japanese see the need of aiding China to form an independent state which is necessary both to guaranteeing Japan's existence as well as from the viewpoint of humanity! Now, China has a vast territory and naturally it is difficult to have her awaken all at once. The Japanese therefore help the people of Manchuria first and eventually will extend the help to all China.

Then, he enlightened the Commission on the policy of Manchukuo. He said that the principles of Equal Opportunity and the Open Door are the iron laws which Manchukuo announced at the time of its establishment. But he immediately qualified his statement by saying that as far as enterprises relating to transportation, which have serious relations with national defense, the principle of Open Door can not be applied, for example, the industries connected with national defense. Continuing, he said, in order to combat with the intrusion of Communist ideas into "Manchukuo" and to guard her against Russian armed invasion, "Manchukuo" has to depend upon Japan for assistance and therefore it is its intention to place all the railways in the hands of Japan. As to other industries, he said, Manchukuo is fully prepared to apply the principle of Open Door.

Komai's reply to the Lord Lytton inquiry "How About Equal Opportunity" was the most interesting and crafty. He said that Lord Lytton's own country has shown a fine example in the matter in China regarding the employment of Japanese nationals in Chinese Maritime Customs which requires every applicant to pass a thorough examination in English. In the case formed by the co-operation of the Japanese with the of Manchukuo, he said, as the new Administration is Manchurians, its public notices and documents are all written in both Japanese and Manchurian. If there are subjects of a third country who have full command of both Manchurian and Japanese languages and are willing to accept the terms of employments offered by the Manchukuo Authorities, then Manchukuo will not fail to use their services. "This is what I understand by the principle of equal opportunity." A sardonic smile was the comment Lord Lytton allowed himself on the interpretation of this principle.

Beginning his life as a mere adventurer, Komai is now climaxing his career as an empire builder for Japan. Since his sudden rise in the world as a founder of "Manchukuo," his family life has formed a subject of gossips and conflicting reports. In order to dispel reports of a scandalous nature, Komai has set forth his own story. He said in his book that the family life of those Japanese who undertake ambitious work on the Continent is necessarily dreary and dismal. It is very likely that a wife does not share the ambitions of the husband. His ten years' life in Manchuria as an employee of the S. M. R. and another lapse of several years in roaming in China, he explained, did not permit him to pay much attention to his family. His first wife realizing that her taste and urge to life were incompatible with his, asked him for a divorce. He said he persuaded her to remain, but she decided to leave him and she left. Somewhat bored by loneliness after the departure of his wife, he married again, but he said that the second woman too could not bring herself to share life and death with him. While he was thus embroiled in his family difficulties, the Manchurian affair occurred and presented an opportunity to entricate himself from private affairs. He decided to go to Manchuria and to die there this time if he should again fail to realise his object. Prior to his departure, he took legal steps to settle his family affairs and apportion his estate between his second wife and the children born to him by his first spouse.

The foregoing account is just a sketch of the career of the great Japanese intriguer, Tokuzo Komai. One particular feature in his career which deserves the attention of all Chinese is his quixotic devotion to the cause of service of his country in exploitation of China. Komai's intrigues should serve as a warning to every Chinese as to the ultimate intention of the Japanese on China. It is time that Chinese people should take the warning and exert their utmost to counteract the Japanese intrigues.

Prominent London Journal Pays Tribute to T. V. Soong

The London *Spectator* in an article June 9 on T. V. Soong, said that he has earned a deservedly high reputation for his financial ability and personal integrity, and declares that his visit to Britain may have important results. Mr. Soong's work of reconstruction in China is set out at length in the paper, which points out that under him all expenses have been cut down. His grand conversion of internal loans, the *Spectator* added, has saved China $100,000,000 annually. Even more has been saved on the army, it declared.

Commenting on the loan of G$50,000,000 which is being made to China for the purchase of American cotton and wheat, a Chinese spokesman in Nanking, June 7, said that negotiations with this end in view had been begun more than a year ago, but the finishing touches were not put until T. V. Soong, the Chinese Minister of Finance, dealt with the matter during his recent visit to the United States.

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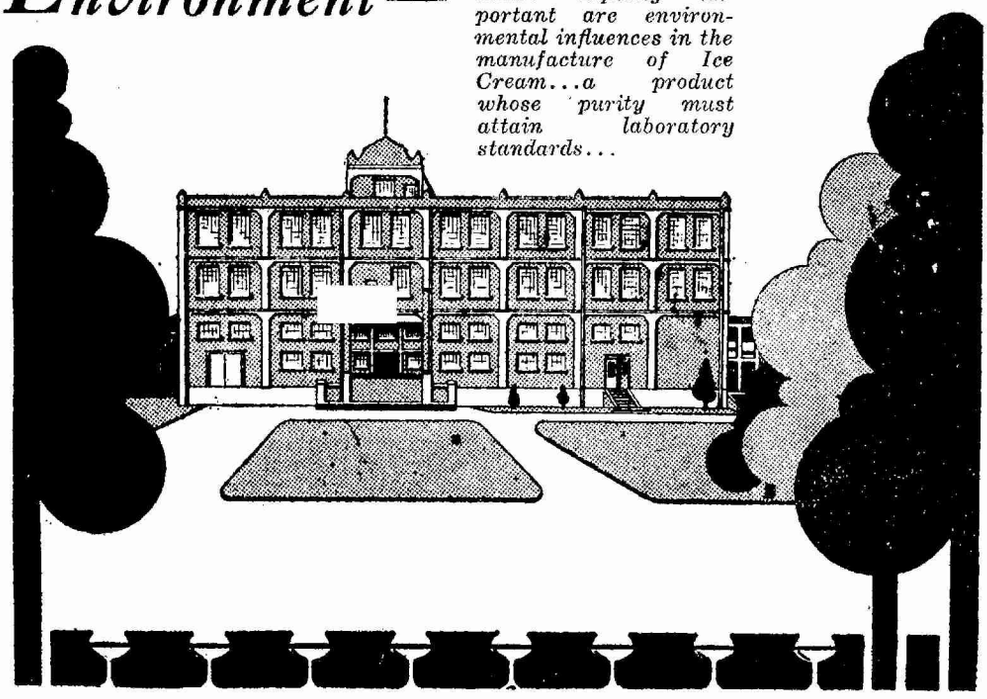

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65-123

U. S. Cotton Loan as a Relief to Cotton Industry

B. Y. LEE (李炳郁)

THE recent U.S. $50,000,000 gold loan to China for the purchase of cotton and wheat has caused a great deal of comment in Chinese cotton circles in Shanghai. Four-fifths of this sum is to be used for the purchase of cotton, amounting to 900,000 bales of 500 pounds each, or about 2,700,000 piculs, which is little less than half of China's total annual cotton crop during the past several years. The loan will run for a period of three years and will bear 5% interest and the whole loan will be secured on the consolidated tax. There is a good deal of jubilation in America at the idea of this easy method of reducing that country's large surplus of raw cotton, and there is a good deal of satisfaction in Nanking at the idea of this easy method of getting a foreign loan without resorting to further domestic loans by issuing more bonds to finance militarism to fight against the Japanese invading force, bandits, communists, or to renew a civil war The National Government, since its inception during the past few years, has always tried its best to obtain loans by all means, regardless of rates of interest or any future consequences. Once a loan is obtained, the government circles are satisfied as both civil and military bodies get full pay. According to press reports, both the government officials and cotton millowners in China are entirely satisfied with the loan and feel that the industry will be greatly benefited by the foreign raw material. The question now arises: What is to be done with all this cotton when it arrives in Shanghai?

Drop in Yarn Prices

The Chinese cotton millowners expect that this cotton will be re-sold to them at very moderate or cheap rates with a view towards relieving the very depressed situation in the cotton mill industry. Since the announcement of the loan, great excitement has prevailed in the local Cotton Goods Exchange. Heavy liquidation has ensued since. The price of yarn has dropped nearly ten dollars per bale and that of cotton has dropped to about $3 per picul from its high level. Although the local Chinese mills are earnestly expecting that cheap rates of American cotton will be available in the near future and that there will be no necessity to purchase their supplies from the local market, it is still uncertain as to what course the Government will take, either to sell the American cotton to the local mill owners at the cost price in the form of a loan or for cash at a price lower than the purchasing price. At the same time the domestic supply of raw cotton is fast approaching exhaustion point. Local mills have a hard time to get their supplies despite high prices. It is very regrettable to note that in Shanghai warehouses there are somewhere about 18,000 bales of manufactured yarn waiting for consumption. This huge pile of yarn causes much alarm among the millowners, who have tried all means to maintain a firm price. There has been practically no brisk demand of yarn from the interior, and the yarn market is almost dead. If no curtailment of spindleage or stoppages take place on a large scale, the stocks of yarn will gradually accumulate in large volume in view of the very poor demand from actual consumers. The general opinion is that before any cheap American cotton can be distributed to the Chinese mills by the Government, a drop in both domestic cotton and manufactured yarn prices would naturally follow—which will directly affect the financial condition of the millowners, in view of the fact that they have accumulated a huge stock of goods in their warehouses.

Measures for the relief of the Chinese cotton mill industry were discussed at a conference of Government representatives, banking leaders and cotton magnates held recently in order to cope with the present situation. The shortage of raw cotton and the recent slump in the price of cotton yarn are the chief causes for the Government to take such action with a view to relieving the present distressed condition prevailing in the Chinese cotton mill industry. The banking interests, it is said, have expressed their readiness to extend mortgage loans to the millowners. It may be noted that as a result of the decline in the native cotton industry, the Chinese millowners have recently decided that all cotton mills should suspend for two days each week in order to prevent over-production. Many reasons are given for the stagnation in the cotton trade, among them being the occupation of the North by Japan, the civil wars in many provinces and the non-unification of Chinese cotton mills. A scheme to federate a cotton industry bank for relief of the manufacturers is put forth. The Chinese Millowners Association has also suggested that, in order to relieve the industry, all service men should wear Chinese cotton clothing, as a remedy. At any rate, there must be a good demand for the manufactured yarn before any benefit can be realized in purchasing the American cotton, otherwise the more imported cotton there is, the cheaper the native cotton as the supply is increased—and consequently the lower in price the yarn. As the millowners have at present too much unsold stock, the lower the price, the less in value the stock will realize. In the long run, what benefit will be realized from the loan?

Loan System Appears Wasteful

This loan system of obtaining cotton appears wasteful and unsound; in the first place, there will be very considerable difficulties in the way of absorbing the large amount of raw cotton to be imported. According to the agreement, the maturity of the loan will be three years, and at that time it is not sure that China can redeem this huge loan. China's loss will, of course, largely depend upon the way in which the cotton will be handled. And in the second place, since the Chinese millowners are already in financial difficulties, they can not possilby pay cash to the Government for the imported cotton allotted to them. They want the cotton, but can't afford to pay cash for it, or should the Government sell the American staple at a lower price, then what benefit can the Government reap, after all this trouble in securing the loan? The Government officials are not sages, they don't do business with the millowners without being paid in some way or another. Again, troubles may arise in the future to collect the debt on the American cotton sold on credit to the Chinese millowners, who are very glad to have the raw material on I. O. U. The servious effect upon the farming class should not overlooked. We should look forward to the day when China's own agricultural resources will be sufficiently developed to enable her to meet her own domestic consumption of such a commodity as cotton.

While the Chinese millowners are complaining about stagnation of the cotton trade, the Japanese millowners in China are constantly expanding their activities in Shanghai and Tsingtao, despite the anti-Japanese boycott and general business depression. In view of their recent activities, the future of the Chinese millowners is gloomy. When normal conditions return, the Japanese will certainly dominate the cotton mill industry in China. The Japanese use scientific industrial management in their mills and have kept some surplus for the rainy days during the years of prosperity, while the Chinese millowners ignore the principles of scientific management and lack an ample supply of working capital. According to Japanese sources, the Japanese cotton mills in China have decided to expand this industry in both Shanghai and Tsingtao, which are great cotton mill industrial centers in China and where the most of the Japanese mills are located. Three Japanese mill corporations in Shanghai have decided to erect seven new mills in these localities. Despite the present stagnation of the trade, many Japanese as well as the British-owned mills in Shanghai have declared their annual dividends, while many Chinese mills have gone on the rocks. The real situation must be solved fundamentally. Instead of begging financial assistance from bankers and the government, the Chinese millowners should sit down quietly and think over some important fundamental problems such as the use of scientific industrial managent, co-operation among themselves, the installation of modern systems of accounting and other financial matters, in order to put their own house in good shape before they can hope to compete with the Japanese.

The following table shows the increase of spindleage in China during the past four years:—

	1929	1930	1931	1932
Chinese	2,176,152	2,383,474	2,465,304	2,572,319
Japanese	1,462,160	1,630,436	1,715,783	1,787,248

Out of this total, the Japanese now own 1,281,172 spindles in Shanghai, while the Chinese own 1,025,700 in Shanghai, and the remaining are in other ports. This table shows that the Japanese concentrate their efforts of cotton mill expansion in Shanghai, which offers various sorts of facilities for this type of industry.

The following shows the supply of and demand for raw cotton during the past four years:—

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	1929	1930	1931	1932
Import of foreign cotton	2,514,786piculs	3,456,494	4,652,726	3,712,856
China's crop	7,748,366	8,809,568	6,399,780	8,105,637
China's consumption	7,338,000	8,939,280	8,859,968	8,965,935

The following shows the percentage of various cottons consumed during the past four years:

	1929	1930	1931	1932
Chinese	68.25%	63.11%	49.67%	52.13%
American	13.66%	13.6%	26.43%	38.58%
India	17.99%	22.76%	23.29%	8.81%
Egyptian	.13%	.41%	.43%	.45%
Others	.06%	.32%	.18%	.03%

The various counts of yarn spun by the Japanese and Chinese mills in Shanghai:

	Chinese mills	Japanese mills
Below 19 counts	55.8%	14.10%
20 counts	26.9%	48.10%
Above 21 counts	17.30%	37.80%

To spin over 21 counts of yarn, American cotton must be used. On the average, the Japanese mills spin fine yarn, consisting of about 70% of their production. The increase in the use of American cotton is due to the fact that its price has been rather low during the past years and most of the mills in China, particularly the Japanese-owned ones, are now spinning fine yarns, which require a long staple cotton. Either Indian or Chinese cotton is suitable for the purpose. According to this estimate, the recent cotton loan, amounting to about 2,700,000 piculs, would last about three years for the Chinese mills' consumption. We must bear in mind that the importation of foreign cotton is chiefly absorbed by the Japanese mills in Shanghai which spin fine yarn for knitting and weaving purposes, while the Chinese mills usually and almost exclusively spin coarse yarn for weaving low grade clothes.

Shanghai, June 12, 1933.

Bandits Demand $200,000 Ransom for Release of Japanese Colonel

A ransom of 200,000 yuan in silver and and immediate cession of aerial bombardment are the terms submitted by the bandits in return for the release of Colonel Matsumuro, chief of the special Japanese Military Mission in Jehol, according to word brought to Chinchow recently by General Huang Hsieh-ling, regimental commander. General Liu said that Colonel Matsumuro is being detained at Tatzuying by the bandits under Pa Ching Cha but that he is receiving fairly good treatment.

Dr. John Wu Completes Draft of Constitution

The Chinese Permanent Constitution as drafted by Dr. John Wu, former Judge of the Provisional Court of Shanghai and now a member of the Legislative Yuan at Nanking, has been completed. It is now on the hands of the Legislative Yuan. The draft Constitution contains 214 articles. The following are the most important features of the draft:—

1. Any Chinese territory occupied by the military forces of a foreign Power shall not be signed away by the Government in the form of a peace agreement.
2. There shall be no secret treaties between China and foreign countries.
3. The Government shall provide necessary protection for female citizens before and after giving birth to a child.
4. The highest authority in China is the National Assembly, the members of which shall be elected by the people.
5. Any Chinese citizen above the age of twenty-five shall have the right to be elected a member of the National Assembly. The term of office of the members of the Assembly shall be three years. The Assembly shall meet automatically on March 1 every three years and be in session for a month. But at the request of the National Government, the Assembly shall hold emergency meetings.
6. The National Assembly shall have the right to appoint and dismiss the President, Vice-President, Presidents and Vice-Presidents of the Judicial Yuan, the Examination Yuan and the members of the two Yuans.
7. The National Government shall be composed of the President and the presidents of the Executive, Legislative, Control, Examination and Judicial Yuans. The National Government shall be directly responsible to the National Assembly.
8. The President of China shall represent the nation, both internally and internationally.
9. Any Chinese citizen above the age of 35 shall be eligible for election as President of China, whose term of office shall be six years. When the President is unable to attend to his duties the Vice-President shall act in the place of the former, but the "acting" period shall not exceed four months.
10. The President of China shall be concurrently Commander in-Chief of Chinese Army, Navy and Air Forces.
11. With the approval of the Legislative Yuan, the President shall have the right to declare war and conclude peace with a foreign Power. But any agreement signed by the President shall not be regarded as valid unless approved by the Legislative Yuan.
12. The provinces shall each be governed by a "Shen Chang" (Civil Governor), who shall be appointed by the Central Government upon the recommendation of the people of the province concerned.

A Legal Interpretation of Japan's "Undeclared" War

BY EUGENE CHEN

(This article by Eugene Chen was written as an introduction to a new and revised edition of Edward Bing-Shuey Lee's book, "Two Years of the Japan-China Undeclared War." Mr. Chen's article is of timely interest in view of the recent military truce in the North. He inquires pointedly whether the policy which China has pursued has not "enabled Japan to secure all the advantages which a 'declared' war would yield her without provoking effective intervention on the part of the interested foreign powers?")

FOR the purpose of this introductory note, I have been going over the story of the French conquest of Tunis. It is an instructive page of history. I transcribe it here with no evil intent against the French and with no other aim than that it might be studied objectively by those whom living men and posterity must hold responsible for the present state of the Nation.

"The fruit is ripe. You may pick it at the propitious moment." This is what one French Foreign Minister, on leaving office, told his successor in reference to the French plan to annex Tunis.

"We are all in the hands of God," exclaimed the harassed Bey of Tunis under the French agent's pressure, "and if force is to overcome right and justice, all I can do is to leave my fate and that of Tunis to Him." This trust in God appears greatly to have encouraged the then French Foreign Minister who was disposed to drastic action if only a suitable pretext could be found. A pretext was accordingly formulated by a M. Gery, president of the Bone-Guelma Railway, who listed some sixty-nine acts of violence along the line from September 1, 1878, to April 20, 1881, most of which, it appeared, consisted of throwing stones at passing trains or putting obstacles on the tracks (Livre Jaune, Tunis, annex to No. 153). This was reinforced by the French Governor-General of Algeria who subsequently enumerated 2,379 crimes committed by Tunisians between 1870 and 1881, of which, 1,540 were theft (Livre Jaune, Tunis, Supplement 286). The Quai d'Orsay could no longer brook this provocation and the occupation of Tunisian territory was ordered.

Here I quote one of many historians on the subject: "While the Bey protested at the proposed violation of his territory, he agreed not to resist the French invasion. The French Foreign Minister disclaimed all responsibility for the consequences of resistance, instructed his agent to remain at his post as long as possible, and assured the Powers of the sincerity and good intentions of the French Government in resorting reluctantly to force. The fate of Tunis was thereby sealed. A pretext had been found and the Regency could now be seized under cover of 'the absolute obligation which we are under to assure the security of our Great Algerian Colony'."

When Stones Were Thrown at Trains

There are one or two curious parallels between France's "undeclared war" with Tunis and the situation created by Japan's "undeclared war" against China. Note, for instance, that the French complained of sixty-nine Tunisian attacks on their Railway—most of which were stone-throwing at trains—and of 2,379 crimes by Tunisians (of which 1,540 were simple thefts) which endangered the "security of our Great Algerian Colony." The Japanese have also had a list of griefs—those 300 unsettled cases which threatened the security of the Mikado's empire. Then the Bey of Tunis left his fate in the hands of God, an act of statesmanship which provoked an anti-clerical French Minister to deal the *coup de grace* to the poor man. Nanking has also placed its entire reliance on Providence in the form of the League of Nations, and this is understood to have provoked the Tokyo Shogunate to drastic action in Manchuria and Jehol. And it will be noted finally that the Bey of Tunis "agreed not to resist the French invasion.....and the fate of Tunis was thereby sealed."

Without implying that there is any precise similarity between China and Tunis, it is not inappropriate to suggest that if China is not to suffer the fate of Tunis at the hands of Japan, Chinese policy must cease to be the expression of the same political fatalism which led the Bey of Tunis to put himself and his country in the hands of God instead of opposing effective resistance to alien aggression.

It is not improbable that effective Chinese resistance to Japanese aggression has hitherto been lacking largely as a result of Nanking's fatal acceptance of the view that Japan has been waging only an "undeclared war" and not actual war against China. For this reason, it may be of interest to find out whether the conception of an "undeclared war" is known to International Law.

Before the Covenant of the League of Nations and the Kellogg or Peace Pact, it was generally recognized that acts of force directed by one state against another without a previous declaration of war did not of themselves create a state of war as long as the other side did not treat the particular acts of force as acts of war. A rare but classical instance of this is the seizure by France under Louis XIV, in 1680-81, of the territory of the Free Town of Strassburg and other parts of the German Empire without armed resistance by the latter. This French seizure of German territory was not considered an act of war because the Germans themselves did not treat it as an act of war. But it is laid down in the Books that a state of war exists *when an act of force by one state is answered by a similar act of force by the other side* or by a declaration that the latter considers the particular act as an act of war.

While it is notorious that the Nanking Government has never seen fit, officially and of set purpose, to declare any of Japan's countless acts of force in Manchuria and elsewhere in China to be acts of war, it is a fact abundantly established in Edward Bing-Shuey Lee's authoritative book that the Japanese invasion of Chapei *was forcibly resisted by the armed forces of the Chinese Government.* And it is also a fact that the Japanese invasion of Jehol *was also forcibly resisted by other forces of the Chinese Government.* On these indubitable facts it can be submitted that there has existed and there still exists a state of war between Japan and China.

If this is so, why have the responsible authorities refused to recognize this outstanding reality and base on it a comprehensive national policy for the "salvation of the Nation"?

There is a fear, it appears, that if China openly recognize the actual state of war which Japanese acts of force have created between Japan and China, the Japanese General Staff might repeat in intra-mural China what the Japanese army has already perpetrated in Manchuria and Jehol. And there is the further paralysing fear that, since war originates juridical rights, the Japanese will be able to validate their illegalities in China by military victory.

This view rests on a serious under-estimation of the diplomatic and international forces that can be mobilized on the side of China and also on a profoundly incorrect interpretation of the Laws of Nations as modified by the Covenant of the League of Nations and the Peace Pact.

China, after all, is not Tunis, nor Korea, nor for that matter is she Manchuria and Jehol. The open conquest of intra-mural China in a "declared" war known to be and admittedly caused and engineered by Japan, is not a transaction that the modern world, particularly America, Britain, Soviet Russia or France would permit or suffer to take place without decisive protest and positive intervention if necessary, unless indeed Chinese diplomacy should prove itself to be of the same quality as the statesmanship of the Bey of Tunis.

An "Illegal" War of Aggression

And as regards the possibility that Japan might legalize her war-crimes in China by military victory, it is of course a well-known principle of International Law that war is a source of juridical rights even though a war has been illegally commenced or, as it is put in one of the Books, "has automatically arisen from acts of force which were not intended to be acts of war." This is to say, the illegal commencement of a war does not divest a war of its juristic character in the sense that all the rights and obligations of war, including those of neutrality and the conclusion of peace, remain applicable; and therefore, *subject to what is presently to be said,* an illegal situation created by a state could be validated by military victory. But this statement of the Law must now be read in terms of the fundamental modifications introduced into the Laws of Nations by the League Covenant and the Peace Pact. It is not possible to work out here the highly technical argument involved, but it can be laid down that a war of aggression or a war initiated as an instrument of national policy—such as the one now being waged by Japan against China on Chinese soil—is illegal in the sense that it cannot acquire the juristic

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character of a war as known to International deliquencies and war-crimes perpetrated by a victorious state.

It is plain—and this point must be particularly stressed—that the so-called "undeclared war" which Japan has been conducting against China during the last eighteen months, has enabled Japan to secure *all the advantages* which a "declared" war would yield her without inviting or provoking the effective intervention of the Foreign Powers with vital interests in China and the Far East. In other words Japan has been able and will continue to be able to extend her territorial conquest in China and sever Chinese territory through the machinery of this "undeclared war" without risking a repetition of the Three-Powers intervention in the Liaotung case in 1895.

Abnormal Conditions Cut China's Trade in 1932---U.S.A. at Top of List

There was a decline in value of China's trade from the 1931 total of Haikwan Tls. 2,343,000,000 to Haikwan Tls. 1,542,000,000 in 1932, according to the annual report of the Chinese Martime Customs, compiled by H. G. MacEwan, statistical secretary, issued last week. In accounting for this decrease, the Statistical Secretary writes, "The decrease was due almost entirely to abnormal causes. The forcible ejection of the Chinese Customs staffs from the Manchurian ports and from Dairen, at which latter place the Customs functioned under a separate agreement, accounted for nearly 15 million of this decrease, while 33 million taels less than in 1931 were collected at Shanghai owing largely or altogether to trade lost during the 'undeclared war' in the early months of the year. Allowing something for depressed foreign markets and other factors, a considerable share of the balance of the decrease may reasonably be ascribed to the same causes since nearly all ports throughout the country suffered in both import and export trade from the loss of their Manchurian markets."

The magnitude of China's loss as a result of the separation of the former Three Eastern Provinces and the relinquishment of control over the Dairen Customs House can be understood by the statement in the report that exports from Manchurian ports during 1931 amounted to 35.4 per cent of the whole of the export trade value of China and 42.6 per cent of that trade value during the first six months of the year under review. The report brings out that imports into China decreased by approximately 27 per cent, exports by 46 per cent and the total foreign trade by 34 per cent as compared with the figures for the previous year.

The British Empire, according to the figures contained in Mr. MacEwan's report, was the greatest supplier and purchaser during the year under review. Taking the countries individually, however, the United States of America took first place in the trade with China with a combined value of imports and exports of 328 million Haikwan taels. Japan took second place with 253 million taels, and the United Kingdom of Great Britain third with a total of 156 million taels.

Philippine Independence Hangs in Balance

Conferences between Filipino political leaders were begun in the Islands during the week to pass on the ratification, or rejection, of the Philippines Independence Bill. If the Independence Bill as submitted by U. S. Congress is accepted, it is believed that a number of European countries, especially Germany, will make definite efforts to capture the Islands trade. If the bill is rejected, Administration and Congressional leaders in Washington see the renewal of the independence campaign, this time to obtain a more favorable bill. Manuel Quezon, president of the Philippines Legislature, who proceeded to Washington several months ago to obtain a revision of the Independence Bill but received virtually no encouragement, arrived back in Manila recently and presided at the conferences held during this week.

Siamese Are Stated to Be Pro-Japanese

"Merely to say Siam abstained from voting against Japan in the League of Nations Assembly does not do full justice to our sentiments toward Japan," said Prince Isara Saner, nephew of His Majesty King Prajadhipok of Siam, upon his arrival in Moji recently, according to the *Osaka Mainichi*. "The sentiment of my people is decidedly pro-Japanese," the Prince said. "One difficult problem which we have is that there are some 2,500,000 Chinese residing in Siam. They have built up such a strong foothold in Siam that Chinese merchants constitute half of Bangkok's total population."

Fundamentals in the Crisis in the Far East

BY HAROLD S. QUIGLEY
(Professor of Political Science, University of Minnesota)
(Reprinted from the Journal of the American Association of University Women)

AS time reveals the range of Japan's ambition we watch her armies engulf Manchuria, then Jehol and now North China. A few months ago we were concerned over Japan's treaty rights in Manchuria, which she assured us she was acting in self-defense to preserve. Later we followed the "Lytton" commission as it investigated the issues on the spot and we held our breath as the Assembly accepted the "Lytton" report and Japan withdrew from the League. Today, as we wait for the fall of Tientsin and Peiping, we speculate upon the prospects of China to continue existence. We feel justified in wondering whether the doughty Japs will not blast and bluff their way to the conquest of all China. If this happens it will be one of the major misfortunes of history. I propose in the course of this article to review certain facts upon which the fate of China hangs.

Europeans were welcomed in China until her people discovered her danger. Since then the Chinese have maneuvered and fought against them, but in ill-organized and medieval fashion. Nationalism is not a new thing in the Orient, but it is only recently that it has shown compelling force. The emergence of nationalism in China since 1914 is one of many manifestations of that powerful ferment to which the war-time liberalism of Woodrow Wilson gave universal application. This spirit has sought to regain for China a position of international legal equality.

To obtain equality China had to bring about the termination of many foreign restraints placed upon her by force during the earlier period of colonial imperialism, which began in the fifteenth and carried on into the nineteenth century and which may be said to give way to a new period of economic imperialism only at the very end of the latter century with the enunciation of the open door doctrine by John Hay, American secretary of state. To permit these privileges to be terminated was to place enormously valuable vested interests under the jurisdiction of China and those interests cried out against it. They urged action by their own governments of any needed force to maintain their so-called rights. Such action was taken customarily up to 1927. That year marks a new policy, one of acquiescence in a gradual process of treaty revision. This policy was approached at the Washington Conference but was not made even partially effective until later. However, the Chinese recognized the new policy and turned to an effort to regain control of Manchuria, which was rapidly falling completely into foreign hands.

Japan Conceded Nothing to China in Manchuria

Soviet Russia, which had not been invited to the Washington Conference, went beyond the Conference Powers in compliance with China's nationalistic program, surrendering not only the general rights of extraterritoriality and a treaty tariff, but also political and administrative powers in Manchuria, and conceding to China a half-share in managing the Chinese Eastern railway. Japan, though she ratified the Washington Conference treaties, conceded nothing to China in Manchuria, but rather pressed more insistently, sometimes by diplomacy, sometimes by threats and force, a program of political and economic absorption of that area.

It is highly important to understand that the policy of the conciliatory Baron Shidehara, former Japanese foreign minister, that of economic penetration through diplomacy, differed, in the estimation of the Chinese, only in method and outward appearance from the military policy of rapid absorption by force which alternated with Shidehara's. The Chinese thought of the former as designed to exploit Manchuria in the interests of Japan, ruling through an acquiescent Chinese governor, and as conceding no greater ultimate share in policy to the Chinese than does the present regime. Thus we are able to account for the intransigent attitude of the Chinese government under a seemingly conciliatory Japanese hegemony.

Chinese nationalism has had to struggle not only for equality for China among the nations but for the reform and unifying of the country. The republican era began at the end of 1911; it is thus about twenty years old. Those years have revealed the problems involved in this task, problems that stagger the observer but do not discourage the Chinese, by whom they are to be solved. The central difficulty is one of geography—the vastness of China rendering democratic government from one centre so far impossible. It is this fact that leads the Japanese government to argue that China is not a state. But this argument is unscientific in that it ignores the fact that there are many forms of the state. Japan herself, prior to 1870, was a highly disjointed feudal state, in which hundreds of fiefs, great and small, not only managed local affairs but, in some cases, conducted foreign naval and military operations and set up claims to colonies. Moreover, feudalism, which continues today to control Japanese politics in spirit, kept up a bloody struggle against the "Restoration" of 1867 for a decade. When China's 4¼ million square miles are compared with Japan's former 148,000, there is room for hope that her period of adjustment will not be disproportionately long. If China is not a state today, she never has been a state. Throughout her history her provinces have ruled themselves, her subordinate localities also being essentially ruled by their own inhabitants. The central government has been too remote for direct rule. But this decentralization, so far from arguing that China is not a state, rather argues that it is, since it demonstrates an extraordinary capacity for self-government, and for co-operation between large autonomous areas, as well as a keen consciousness of spiritual unity. The war-lords who have fought for power have displaced the old viceroys and civil governors but they have not attempted to partition the country. So far as outside countries are concerned, these militarists have not surrendered Chinese territory but have acted as buffers against aggression. Such men, however, are a passing phase of the country's development. They distinguish a period of disturbance, not a period of regularity. To identify the last ten years as typical of Chinese republicanism is but to take ignoble advantage of a *people*, whether or not one thinks of them as well suited to republican government. The *people* of China transcend their form of government. China belongs to them, not to their rulers. If it is suggested that the Chinese people are politically indifferent and have no objection to foreign rule, it must be explained why China has not shared the fate of India.

Japan's Slurs on China

Manchuria is no different from Szechuan or Shansi or a number of other Chinese provinces or groups of provinces in its relation to the central government. The Japanese government on various occasions has recognized that Manchuria is a part of the state of China. The three eastern provinces were governed as Chinese provinces during the later Manchu period, and under the Republic. Japan's arguments to the contrary fall to the ground when she makes the amazing assertion in her reply to the Lytton Report that the death of Yuan Shih-k'ai, who was the president of China for four years, marked "the fall of the United Republic." No government which has recognized, along with other powers, the post-1916 governments at Peking and Naking can logically present such a contention now. Would Japan be willing to accept the verdict of a popular vote in Manchuria as to the future government of that region? She has not suggested such a test. And Japan slurs upon Chinese disunity come with little grace from a government whose predecessors interfered with threats in 1928 to prevent Chang Hsueh-liang from hoisting the national flag of China.

China has not gone to pieces except in the superficial sense of having had to suffer from the selfishness of individuals and factions. Such selfishness is a common phenomenon, as we Americans can witness when we recall our regional demands for tariff protection, our "pork barrel," our state legislation against Orientals, etc. Nor can we forget that our Civil War was caused by regional disagreements and that it took place more than seventy years after our constitution had been ratified. Unfortunately for China, her regionalism is aggravated by the military governments in her provinces, which are due to her people's slight acquaintance with representative government. As their knowledge of democracy grows, this weight will be relaxed and their age-long tendency to co-operation will reassert its control.

One of the aspects of regionalism is the influence of the Communist party in south-central China. Upon the

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extent and character of Chinese communism we are sadly lacking in reliable evidence. We know that the former condition of the peasantry in the regions most affected was deplorable. Statesmen like the distinguished finance minister, T. V. Soong, have urged the government to devote its energies not to a military conquest of the movement—which has so far miserably failed—but to the redeeming of pledges of agricultural betterment which were held out when the Kuomintang campaign of 1926-27 pushed through Kiangsi and Hunan, and which led the peasants to feed the armies and accept the new regime. It is a pity if the encouragement of foreign governments is being given—to say nothing of their urgings on condition of moral support—to Marshal Chiang Kai-shek in his bloody, wealth-consuming and futile campaigns against these areas. Even apart from the issue of the desirability of communism in China—upon which very able thinkers differ profoundly—it is obvious that this sort of movement flourishes upon persecution. And to divert governmental funds and energy at such a time from the major task of preserving the country from partition by the invader is but to add strength to the enemy and to still further provoke regional resentment against the government. Better that the factions unite—as the Communists are willing to do—against the common foe and that they find mutual confidence in a common effort.

Chang Kai-shek as Able as Yuan Shih-kai

Has military control already been decreased? The answer to this question is not easy since all Chinese provinces are today under the rule of military men. It is not possible to assert that civilians rule in contemporary China. It may, however, be shown that the *type* of Chinese militarist has changed. Chiang Kai-shek, the dominant figure at Nanking, is as able as was Yuan Shih-k'ai. Yuan despised the men who were working for a popular government, while Chiang, if no less practical, believes in them, and works with them. Chiang's subordinates, like Yuan's, are his military colleagues and like Chiang they support the liberal movement within limits less restricted than those set by the old clique headed by Yuan.

Of more consequence, however, is the fact that the government is stronger today than it has been since the death of Yuan Shih-K'ai in 1916. What are the evidences for this statement? One evidence is the relative permanence of the control of Nanking government by Chiang Kai-shek and the Kuomintang. This control has lasted since 1927 and has given a continuity hitherto unknown to republican policy. Another is the cessation of civil warfare between "north" and "south." Since June, 1928, when the old warlord of Manchuria, Chang Tso-lin, was assassinated, there has been peace and loyal collaboration between the Nanking and Mukden governments. "Young Chang," son of Chang Tso-lin, aided Nanking to expel an opponent from Peiping and thereafter has accepted Nanking's leadership, though retaining autonomy in specific decisions. The Chinese government has dealt successfully with opposing factions.

The best proof of the increased strength of the Chinese government is the recent Japanese intervention. It is typical of Japanese arguments about China that in one breath they declare that China is not a sovereign state and in the next they denounce her building railways that endanger their interests. The new Manchurian railways are the product of strength, not weakness, of economic and political foresight, not mere individual greed or indifference to the country's fate. These railways represent not merely the policy of Mukden and Peiping but of Nanking. Japan's occupation of Manchuria is not, as she claims, a measure to save that region from bandits—bandits do not build railways—but a desperate throw of the dice to forestall the development of Chinese economic power and political unity. As such, it is a deliberate move to partition a country at the time when that country is showing the most impressive trend toward justifying the confidence expressed in it at the Washington Conference.

What Is "Progress?"

It might well be asked; what does Japan mean by "progress," when her reply to the Lytton Report asserts that China has not shown progress since 1922? Apparently she takes unity and order as her sole criteria. Would she apply them to herself? If so, what about the spread of communism in Japan, what about the growth of the labor movement, the enormous amount of municipal and

national corruption, the stifling of freedom of speech, press, and association? What about the series of political murders of progressive leaders?

These queries are not asked to embarrass Japan but to adjust the perspective. Progress in China is marked by better living conditions, by the growth of a living literature, by the spread of the spirit of inquiry into age-old superstitions, by improved educational facilities, by a more co-operative handling of national disasters, by many developments which do not immediately accomplish the attainment of "peace and order," or that fetish of foreign interventionists, a "strong central government," but do spell progress in capital letters and do contribute toward a better state. It cannot be forgotten that China is passing through the political, industrial and social revolutions, not one by one but all at once. Naturally, even so steady and well-knit a people as the Chinese will take time to understand the problems raised and to solve them in terms of their own culture and of scientific concepts hitherto unfamiliar to them.

We have examined cursorily the political condition of China. What about the Japanese political system in its relation to Far Eastern peace? Just as a doctor must take account of mental conditions in assessing penalties; so must an international judgment of a nation's act take account of the political immaturity of the nation believed to have broken international law.

Japanese are quick to point to Chinese political immaturity, though they do so not to excuse from punishment but to justify depriving her of territory. What about political immaturity in Japan and what about the allowance to be made for it in the Assembly of the nations?

Japan's Old Civilization

Japan is a very old state and her civilization is about as old as that of Europe and America. It cannot therefore be said that her rulers are not sophisticated. But the dominant ideas of government are still feudal, and the military services are still able to determine policy. While it may be true that today the people of Japan are supporting the adventure in China, it is certain that they do so only because they have a blind faith in the army, whose leaders have undertaken to extend Japan's empire and have given the people to understand that the honor and safety of the state is at stake. Japan has a constitution and a parliament, but the former exalts the military services above the civilian cabinet and enables the executive, controlled by the military leaders, to rule while the Diet looks on. Japan's form of government is an oligarchy in the guise of constitutional monarchy. The Emperor's hand signs important ordinances and laws but it is guided by the "elder statesmen," who are helpless in circumstances of apparent danger to the state and must then accept the decisions of the general staffs of the army and navy.

We are justified, in spite of appearances, in doubting that public opinion is solidly behind the present governmental program. We cannot forget that in 1930 the Hamaguchi government won a land-slide election during the London naval conference and that that government subsequently ratified the London naval treaty in the teeth of the most bitter opposition from the naval staff and the Privy Council. Such comparatively liberal leaders as Hamaguchi, Shidehara, Inouye, Inukai, Dan and Ozaki, have not lived in vain. Japanese business is a powerful force which has in the past overruled the militarists and may do so again. Radical thought is opposed to imperialistic wars and is growing in influence faster than is publicly admitted. The government does not dare to finance its campaigns by taxation, but the bill must be paid that way eventually unless conquered territory can be exploited to take over the burden. It is certain that voices of protest would be numerous and vehement if criticism were not so dangerous. It may well be imagined that, far from demonstrating the militarization of the Japanese people, the attack upon China is Japanese feudalism's last bid for power.

Where There Is Corruption

The army has been described since the outbreak of hostilities in 1931 as acting not for glory, not on behalf of wealth, but to raise the peasant farmer from the desperate situation in which he has been left by landlordism, heavy taxation and the world depression. Japanese fascism is described in terms of a union between the younger army officers and the peasants. The army assumes the role of opposition to corrupt politics and greedy capitalism. We have presented to us a paradox: militarism in the garb of democracy. Manchuria is to be ruled by the army on behalf of the Japanese farmer.

Let us accept this ghost as a being of flesh and blood. Still it remains true that the supreme command in Japan has acted without parliamentary authorization, that *it* has decided for the people, not the people for themselves. And the consequences, whatever the army's motives, are just as serious for Chinese territory and for world peace. If the supreme command thinks that Japanese politicians and businessmen are corrupt, it should clean out the Augean stables in Tokyo and Osaka, not in Mukden and Jehol. That is the advice so frequently tendered to China.

Let us now turn to the international aspects of the problem. Japan's extensive military action during the past year and more resembles rather the British seizure of Hongkong in 1842 and the Russian annexation of the Maritime Province of Siberia in 1860 than the recent policy of the powers toward China. The Chinese do not doubt, in spite of Japan's protestations of altruism, that she is working toward the annexation of Manchuria and Jehol. Otherwise, they say, she would have brought her treaties and complaints to the League for appraisal and settlement. Her program to date appears to them as being more or less a replica of that which brought Korea into her empire. They believe themselves to be watching nothing less than a ruthless process of territorial conquest under which some 35,000,000 Chinese and Mongols are to become—if Japan has her way—co-subjects of the 20,000,000 hapless Koreans.

The Hay notes of 1899 ended the scramble for leases, and the Washington Conference of 1921-22 pledged the powers, including Japan, not to take advantage of China's internal disorder. Since 1910 China has lost no territory to any power, though her suzerainty in Tibet and Mongolia has become a mere shadow. Coming more nearly to the present date, since 1927 China has regained jurisdiction over former British concessions (i.e., residential areas), and a former British leased territory, as well as over former Russian, German, Austro-Hungarian and Belgian concessions. She has regained control over customs rates and partial control over customs administration. Foreign railway administration has practically disappeared save in Manchuria and Yunnan. The powers no longer attempt to deal with her as a compact group through the doyen of the diplomatic corps. The gunboat policy has been notably restricted in the scope of its operations. In short, for the powers in general, diplomacy has taken the place of force and their honest purpose of assisting China to reorder her affairs has come to be recognized by the Chinese themselves.

True it is that foreign interests still are protected by contracts and methods that continue to irritate the Chinese. Extraterritoriality remains, as do the International Settlement and other residential areas, several leased territories, military detachments and coastal shipping privileges. The question concerning these controls is as to the attitude of the powers toward them. There can be little doubt that the attitude is one of conciliation, of willingness to relinquish rights not legally of a permanent character. If Japan points to Hongkong as a permanent guarantor of British power, Britain may point to the Loo Choo Islands, Formosa and Korea as Japanese bases, all of them former Chinese territories or vassal states.

Why Powers Cannot Challenge Japan

There is, therefore, no substantial ground for the contention now being made in some quarters that the League powers and others must give up their ill-gotten gains in China before they challenge Japan to evacuate. The answer is that they are in the process of giving them up and that the process will be hastened if China is not disturbed by acts of aggression. Not only have the Powers in general accepted the principle of treaty revision, they have accorded to Japan an actual economic predominance in Manchuria and Eastern Inner Mongolia. Although they were unwilling to follow Japan's suggestion that those regions be excluded from the scope of the 1920 banking Consortium, it would appear that some sort of gentlemen's agreement has been in force under which Japan has been left alone in the financing of governmental enterprises in those areas. Meanwhile, neither the Consortium nor the bankers of any of its supporting member states have made any loans to other Chinese governmental units. Thus Japan's position has improved while China proper has been protected from further purely political borrowing such as that represented in part by the Nishihara loans.

This is not to say that the powers generally should not proceed more rapidly to liquidate their holdings of

obsolete privileges in China. A wholesale house-cleaning is necessary. What is required that political and jurisdictional controls be surrendered and that the grasp of the port merchant upon foreign public opinion be destroyed in order that intelligent statesmanship may work unhampered. Chinese as well as Japanese sentiment justifiably resents these restrictions and monoplies. On the other hand, it is but fair to recognize that no one gains from the destruction of economic wealth, and that China stands to lose if she drives out the foreign merchant before her own business structure is built up to take over the functions he has been performing. The Chinese appear to understand this and are prepared to take account of it in a settlement.

There is a persistent misreading of cause and effect by Japanese and other foreigners in China. They argue that the rights of foreigners cannot be surrendered because they constitute the only protection available against nationalist resentment. The truth is that the rights constitute the menace to foreigners. The Japanese should be able to remember their own comparatively recent difficulties in protecting foreigners against hot-headed youths and the subsidence of such sporadic vengefulness when the equalitarian treaties of 1894 went into effect.

China's use of the boycott against Japan's trade is of a piece with other anti-foreign manifestations; it is a species of self-defence, not of aggressive action. Boycotts are less devastating than war and historically they have been the weapons of weak states against stronger states. China is in no position to declare war, however extreme the provocation. She is not strong enough even to declare a boycott by governmental action. The Japanese repetition *ad nauseam* of the hurtful action of Chinese boycotts persistently ignores that every one of them has been wantonly provoked by Japanese intervention. It also ignores the fact that Japanese losses have been largely off-set by increased trade after a boycott has been discontinued, due to the need of the Chinese for the fish, cotton and coal which compose the bulk of their imports from Japan.

The Japanese are now both privately and officially, proposing that Japan be recognized as overlord in the Far East; they are announcing a "Monroe Doctrine" for that region. It is a caustic commentary upon *the* Monroe Doctrine that they should take this juncture as a fitting time to put forward theirs. But granting, without admitting, the parallel, there is a fundamental difference in circumstances in the fact that Latin America is a congeries of some twenty states whereas China is but one state and that a very large one. Japan's ambition can succeed only by partitioning China into small states. A "Monroe Doctrine" in Japan's policy would inevitably operate against the unification of China even along federal lines.

Japan is not wholly suited to the role of mentor or spiritual leader to China and other Far Eastern states. China is the source of Japanese culture, her intellectual leaders are more brilliant than those of Japan, her social and political ideas are more democratic. Japan's only warrant for leadership is her superior organizing capacity and her standing among the nations as a military power. It would be a misfortune if militarism should give the lead to China, arousing new fears of the "Yellow Peril." Yet it is not unbelievable that some Chinese government, in order to prevent partition of the country, will compound with its formidable enemy on the basis of a military alliance.

What should be our conclusion? As a matter of principle it is clear that the issue of China's future is an international one. Legal, moral, economic and political considerations all point the same way. China cannot save herself; Japan is intent upon destroying her even at the cost of her existence. Only by international action can this greatest of Oriental cultures be preserved.

I do not propose to enter into the ways and means of possible international action. Whether they will be taken or not depends upon what influences are brought to bear upon governments. I would point out that the principle of armaments reduction is not inconsistent with international action against a law-breaking nation. And I would venture in conclusion to assert that the problem of restraining Japan, viewed internationally, has been greatly exaggerated. What is lacking is not the *strength* but the *will* to act together. Self-respect, if nothing else, should counsel the powers to find a common will and a common way.

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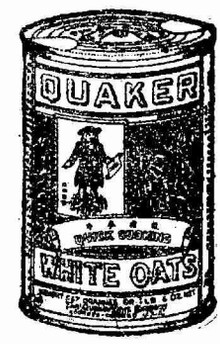

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Nanking Doubles Canton Grant So as to Preserve Peace

With the assumption by General Chen Chi-tang of the post as Commander-in-Chief of the Southern Route Bandit-suppression Forces for the five provinces of Kiangsi, Kwangtung, Fukien, Hunan and Hupeh, the Central Government has decided to grant an additional monthly appropriation of $300,000 to the Kwangtung troops participating in the bandit-suppression campaign in Kiangsi as from the current month. The total grant will be $600,000 monthly.

An Anti-Bandit Conference was held at Nanchang under the chairmanship of General Chiang Kai-shek June 8. Over forty high military commanders were present. General Chiang, in his opening speech, stressed the fact that bandit suppression depended on political reforms in addition to military campaigns.

Despatches from Nanchang, the capital of Kiangsi, end of last week stated that the anti-bandit conference which opened there on June 8 had been extended to continue for five days on account of the large number of proposals to be considered. The proposals, which totalled over a hundred, dealt with all phases of bandit suppression.

A sum of $60,000 has been appropriated by order of General Chiang Kai-shek, for the relief of famine refugees in southern Kiangsi. A first shipment of 2,000 piculs of rice has been purchased for transport to the famine areas.

Canton Will Aid in Bandit Suppression

General Pai Tsung-hsi, second in command of the 4th group army, and General Tai Ting-kai, commander of the famous 19th Route army arrived in Hongkong early this week. They are formulating plans for the South-Western expeditionary forces, which, being unable to go north owing to the armistice, will instead assist in suppressing the Communists in Kiangsi.

General Wang Chia-lieh, the chairman of the Kweichow provincial government, reported June 13 to the southwest authorities that the military phase in his province was over following the suppression of recalcitrant elements.

General Yu Han-mou, who commands the first Cantonese army, called upon General Chen Chi-tang in Canton June 13 and reported that the communist-bandits in Sunyung county in south Kiangsi had been suppressed and that traffic communications in the neighboring districts had been resumed.

Communists in Fukien Rounded Up by Government Troops

A further group of Communists in Fukien was rounded up and routed by the provincial troops under the divisional commander Lu Hsin-pang last week. The Commander of the Red 7th Division was killed in action.

Bandit Uprisings in Southern Shantung

The Shantung provincial authorities are finding it difficult to suppress the "Five Banner Association" in southern Shantung, a recent message from Tsinan stated. The bandits are divided into five separate detachments known by the colors of their flags, each detachment having more than a thousand men. The bandits are now in occupation of several cities in southern Shantung. General Han Fu-chu, Chairman of the Shantung Provincial Government, has sent a division under Chan Shu-tang to suppress them.

In a telegram to General Chiang Kai-shek and General Ho Cheng-chun, Director of the Hankow Pacification Headquarters, on June 9, General Hsu Yuan-chuan, Commander of the 10th Army, reported that he had left Shasi for Ichang to make preparations for a general offensive against the "Reds" under Ho Lung along the Hupeh-Hunan border.

The various government units in western Hupeh were instructed June 13 by General Chiang Kai-shek, jointly to attack the "Reds" under the notorious Ho Lung. Yuan Chi-an, special commissioner of the 10th Administrative area of Hupeh, has also been instructed to assist by making use of the militia units.

Northern Szechuen Threatened with Famine

As a result of the recent military operations in northern Szechuen, all the crops in that region have been completely destroyed. No less than 26 districts have been affected and it is believed that a disastrous famine in these districts is bound to occur this coming winter.

Communists Capture Town in Szechuen

Pachung, a city south of Tungkiang and Nankiang, was captured by the Communists June 7. The troops defending that city under General Tien Sung-yao fled further south. General Yang Sen has despatched two brigades of his troops to Chuhsien to oppose the advance of the Communists, while General Liu Chun-hou has also sent a strong detachment to Wanyuan.

General Tien Sung-yao, Commander of the Anti-Communist Army in Northern Szechuen, has evacuated Pachung owing to the strong pressure brought to bear upon his troops by the Communists. The reason given by General Tien is that the withdrawal is a "strategic retreat" to reform his troops for a renewed offensive against the Communists.

General Chiang Kai-shek, in his capacity as Chairman of the National Military Commission, sent a telegram to General Liu Wen-huei, in Szechuen June 7, instructing him to suspend further military operations in that province.

Sinkiang a Little More Quiet

A radio message from General Huang Mu-sung, Pacification Commissioner for Sinkiang, reported his arrival at Tihua, provincial capital of Sinkiang, June 10.

According to latest reports from Sinkiang the situation has slightly improved in one section of the province but some fighting still is going on. Despatches dated June 7 state that a truce has been arranged between the opposing factions in the Kashgar region. Previous reports of the fall of Yarkand new city to the Mohammedan rebels proved to be unfounded.

Mutiny on Shensi-Kansu Border

Communication between Shensi and Kansu was interrupted last week as a result of the mutiny of some militia on the Shensi-Kansu border. When the mutiny started only one battalion was involved, but they blocked the main thoroughfare between the two provinces. The mutineers also seized a number of river-boats on the Kaling River, on the Szechuen-Kansu border, thereby rendering communication between the two provinces by crossing the river difficult. The Shensi authorities have sent the First Shensi Division to the scene to suppress the mutineers, a recent message from Sian stated.

Eugene Chen Did Not Go to Japan This Time

A flurry was caused end of last week by Chinese telegrams from Hongkong that Eugene Chen had been seen boarding the s.s. *Chichibu Maru* at Hongkong on June 7, "evidently proceeding to Japan on an important mission," and this was followed up by a Riga telegram to the effect that he had gone secretly to Japan on an important mission. Subsequent developments proved that Mr. Chen had not gone to Japan, but the rumor was of interest because of the fact that he had made such a trip in 1931 under circumstances which evoked considerable criticism.

American Farmers Almost Lynch Judge Who Insisted on Doing His Duty

A crowd of farmers invaded the court of the Iowa town of Le Mars, late in the afternoon of April 28, and after dragging Judge Bradley from the bench, they hurried him out of the court, and hanged him from a pole until he was unconscious. The judge is 60 years of age. This outrage is regarded as the opening shot of a revolt in the great U. S. Corn Belt against the foreclosures of mortgages on farms. The mob demanded that he should swear not to sign any more mortgage foreclosures at the behest of New York insurance companies.

Judge Bradley refused, whereupon his captors blindfolded him and took him to cross-roads half a mile away poured muddy oil over his head, stripped him, and rubbed his body with dirt and grease. Again the judge refused to give the promise demanded.

"I must do my duty," he said. "Kill me if you like, but you can do no more."

"Now we are going to hang you," retorted one of the men. A rope having been placed round the judge's neck and passed over a tree, his tormentors hauled him off the ground and held him suspended until he fainted. He revived soon after being lowered, but once more declined to give the promise.

World Economic Conference Opens in London

The World Economic Conference was formally opened in the Geological Museum in London, June 12, by King George making a short speech, which through an extensive radio hook-up could be heard practically all over the world, including Shanghai. The speech was interpreted into many foreign languages and the translations were likewise broadcast.

The King emphasized the need for co-operation among the nations and expressed his confidence that the common endeavor would have beneficial results.

Prince Minister MacDonald in the course of a long address laid stress on the necessity of international co-operation; he said the experiences of the past few years had proved that a purely national economic policy by impoverishing other nations impoverished those who pursued it. This statement followed a remark that the war debt problem was one of "front rank importance."

Sixty-five countries are represented at the conference, most of which hope for great things. Probably the most skeptical is France, where Consevative circles declare what it is honey-combed with pitfalls. France places stabilization of currencies as a prerequisite to France remaining faithful to the gold standard and she is consequently opposed to devaluation and is decidedly antagonistic to an artificial redistribution of gold. Germany also views the coming Conference somewhat dolefully and it is stated in Berlin that the magnitude of the international problems and the divergent views and interests of the countries represented is likely to bar smooth progress.

T. V. Soong expressed the opinion in London June 12 that it was too early yet to show any optimism or pessimism. He laid stress on the fact that if the conference failed it would mean a rapid growth of economic nationalism.

An emphatic statement to the effect that all discussion on the subject of war debts would be barred at the World Economic Conference was made by Cordell Hull, the United States Secretary of State, on his arrival in England June 8.

President Roosevelt informed the leaders of Congress June 7 that in order to secure an early adjournment of Congress this week he would not seek authority to negotiate tariff pacts.

T. V. Soong, the chief Chinese delegate, started a series of important calls June 11 when he lunched at Chequers with Prime Minister MacDonald.

China Wants Britain to Lower Tea Duties

The Ministry of Industry at Nanking through the Ministry of Finance is urging T. V. Soong at London to make efforts to obtain lower tariff rates for the import of Chinese tea at the World Economic Conference.

American Treasury Issue Largely Oversubscribed

The United States Treasury's issue of notes and certificates, totalling U.S. $900,000,000 was more than five times over-subscribed. The issue, which was announced on June 7, was of $500,000,000 of five-year 2-⅞ per cent Treasury Notes and $400,000,000 of nine-month 3-¼ per cent certificates of indebtedness. The Treasury announced the following day that subscriptions had totalled over $5,000,000,000.

Land Tax for Shanghai to Be Instituted

The institution of a provisional Land Tax in the Greater Shanghai Municipality is provided for in a set of regulations tentatively adopted at a recent meeting of the Executive Yuan. The regulations have been forwarded to the Legislative Yuan for examination and formal approval.

According to these regulations, pending the enforcement of the land law, a provisional land tax is to be imposed on all land situated within the urban district of the Municipality. The rate of the tax is fixed at 6 per mill of the assessed value of the land, payable annually in two instalments; the first in the period between Jan. 1 and the end of February and the second between July 1 and the end of August.

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The Japanese Say They Are Sorry They Killed So Many Chinese

A *Reuter* message from Peiping, June 8, stated that for the second time a Japanese military plane landed in Peiping, when on that date, a bombing machine without bombs flew over the city at a low altitude and landed at the Nanyuan Airdrome, in the South suburb, hoping to find a Chinese official in order to convey to him the condolences of the Kwantung Army to the Chinese army for the loss of Chinese life during the recent fighting. Not finding an official, the occupant of the plane wrote a message of condolence and dropped it on the Austrian glacis, in front of the positions occupied by the Japanese Legation Guard with a request that the latter would convey the message to the Chinese military headquarters.

A Chinese message from Peiping June 8 stated that the Japanese military authorities have constructed an aviation field at Yutien on which twenty-three bombing and pursuit planes are now stationed. The planes showed no sign of their immediate withdrawal.

Two Japanese airplanes scouted over Peiping June 7 and scattered a number of handbills. Another plane reconnoitered over Tangku and Taku; and two machines the same day circled over Tientsin.

Gen. Hsu Yung-chang in Peiping

General Hsu Yung-chang, the chairman of the Shansi provincial government, who arrived in Peking from Taiyuan June 7, has had several conferences with General Huang Fu and General Ho Ying-ching regarding the situation in North China. He later returned to Taiyuan to make a report to General Yen Hsi-shan, the pacification commissioner of Shansi.

North China to Receive Manchukuo Mail

A recent Mukden message stated that with the conclusion of the Tangku peace treaty, the Postal Commissioner at Shanhaikuan, under ,instructions from the Chinese authorities, had notified the Manchukuo postal authorities that Manchukuo mails addressed to the Luan Ho region and the Tientsin and Peiping areas would be recognized hereafter.

Dissolution of Anti-Japanese Organizations Ordered in Tientsin

General Yu Hsueh-chung, Chairman of Hopei Provincial Government, who has been imposing severe restrictions on the anti-Japanese movements since the signing of armistice, gave out an order June 11 for the prompt dissolution of all anti-Japanese organizations in North China. The Japanese telegrams state that the Chinese boycott on Japanese goods, which was revived in North China since the Manchurian incident of 1931, has thus been put a stop to.

A recent Peiping message stated that General Muto, Commander of the Japanese Kwantung Army, is sending Colonel Kita, a staff officer of the Kwantung Army, to Tientsin to confer with the Chinese authorities, regarding the quelling of the "pro-Manchukuo" regulars, who have lately been harassing the population in the Luantung area.

One large train containing Japanese troops and military supplies including three cars loaded with motor trucks passed through Chinwangtao on June 6 for Shanhaikuan.

Chinese Press Comment on Truce

The *Shun Pao* comments: "The signing of the truce agreement at Tangku has temporarily ruled out the possibility of China sending a force to attack Manchuria. The future struggle between China and Japan over the possession of Manchuria will have to be fought out through diplomatic channels and at international conferences. Although Japan knows very well that the occupation of Manchuria can never meet with the approval of the Powers, the Japanese Government is still trying to readjust her standing in the eyes of the world. Japan does not expect to win the favor of world public opinion immediately, but she is trying to prevent China from gaining world support."

The *Sin Wan Pao* comments:—"When Russia occupied Manchuria before the Russo-Japanese War, the Russians did not run politics in Manchuria to suit their own ends as the Japanese are doing there to-day. Yet the entire Chinese nation rose up to help the Japanese when the Russo-Japanese War started. The Chinese people had no love for the Japanese; they helped the Japanese because they wanted to recover their lost territory. Now the Japanese have completely reorganized Manchuria and have gone so far as to annex Jehol. We cannot say that the Chinese people have much improved from the time of the Russo-Japanese War, but they will never forget what Japan has done to China. Under such circumstances it cannot be imagined that the Chinese people can shake hands with the Japanese and call each other friends."

Chinese-Made Plane Starts Long Tour

Tseng Yi-ching, director of the aeronautics bureau of the Ministry of Navy took off from Kaochongmiao (Shanghai district) on the morning of June 13 in the new amphibian airplane, *Kiang Feng*, for a tour of seven provinces, namely Kiangsu, Anhwei, Kiangsi, Hupeh, Hunan, Chekiang and Fukien. Mr. Brill, formerly instructor in the National Aviation Administration, is the pilot. This amphibian machine has a 165-horse power motor with a speed of 110 miles per hour. It will tour the Yangtsze Valley, going as far as Ichang. The return trip will be made via Amoy.

The personnel of the various sections of the National Commission for the Promotion of Aviation has been designated by the Standing Committee of the Commission. The Commission will have four sections dealing with contributions, allotment, custody and auditing, headed respectively by T. V. Soong, General Chu Pei-te, Chien Yung-ming and Shih Liang-tsai.

German Air-Plane Flies from Berlin to Shanghai

The large W-33 Junkers plane of the Eurasia Aviation Corporation, piloted by Herr W. Polpe, landed at Hungjao Airdrome, Shanghai June 10 shortly after 10 a.m., after taking off from Berlin on May 31, completing the trip via Russia and Siberia without any attempt at record-breaking, in 52 flying hours. This plane is one of two new planes purchased by the Eurasia Aviation Company with which it intends to extends services throughout China and to establish a regular Shanghai-Berlin mail and passenger service. With the purchase of these two new planes, the Eurasia Corporation's fleet of Junkers has been increased to five. The Company operates under an agreement signed by the Ministry of Communications of the National Government and the German Lufthansa interests.

China Aviation League to Keep People "Air Minded"

The China Aviation League of Shanghai will shortly establish branches in all important cities throughout the country with a view to keeping the people "air-minded." The remaining seventeen airplanes contributed by the League to the Government air service are expected to arrive here before August. Demonstration flights of the eighteen planes will be made in Shanghai shortly after their arrival.

Eurasia Company to Extend Services

The Board of Directors of the Eurasia Aviation Corporation June 8 voted a solatium of $3,000 for the family of the late Herr Schmidt, who was killed in an airplane accident in Germany. It was decided that the Northwestern air route should be extended from Nanking to Tachen, in Sinkiang, beginning from July 1 when a weekly service will be maintained. From January 1, 1934, a three-day service will be maintained on this route. Beginning from August 1 the direct Hongkong-Sianfu service will be inaugurated. This route will pass through Canton, Changsha, Hankow, Hsiangyang and Sianfu. To begin with, a two-day service will be maintained on this air-line. Beginning from July 1 a weekly Peiping-Loyang air service will be inauguarated. This line will be extended to Sianfu beginning from next year.

Deportation of 22 Chinese Students from Japan

The Japanese Home Office June 9 announced the deportation of 22 Chinese students in Tokyo on the ground that their subversive Communistic activities conflict with the Peace Preservation Law in force in Japan. Twenty-four others are to be indicted on the same charge. The deportation was a sequel to the wholesale arrest of 48 Chinese students made on March 15 this year in Tokyo.

At last reports the trouble at Kyoto Imperial University and the Nihon University showed no sign of slackening. In the Nihon University Hall, there was a serious riot recently when a hundred students of the "Revisionist" group held a meeting which was invaded by a group supporting the pro-Dean faction. The was a tussle between the two parties, in which daggers and clubs were used, one youth being stabbed seriously in the shoulder and another being clubbed unconscious.

Indian Government Puts Heavy Duties on Japanese Goods

The Government of India June 7 gave notice of an increase in the emergency minimum specific duty on cotton plain-grey goods of non-British origin from 50 per cent to 75 per cent advalorem. This action is due to the depreciation of the yen and also to the pressure of Japanese competition in India. Coming on the heels of other recent measures directed against Japanese trade, the action of the Simla Government in announcing an increase in the emergency tariff against Japanese cloth has caused consternation in Japanese business circles, a Tokyo message stated.

Count Uchida, Japanese Foreign Minister, immediately sent a protest to the Indian Government against India's new custom tariff. In the protest, Count Uchida requested reconsideration of the new tariff by the Indian Government, in the interest of continued friendly relations between Japan and India. Japan, he said, reserved the right to protest against the raising of custom duties by any country and the Foreign Office stated that Japan may have to take drastic action to offset the increase.

A boycott of Indian cotton goods has been decided upon by the Committee of the Federation of Cotton Spinners at Osaka. Japanese official circles express the opinion that the new anti-Japanese tariff walls set up by the Indian Government do not reflect the wishes of the Indian people and that they will not enhance the interests of the latter. The Simla Government has sent a reply to Tokyo stating that India is prepared to negotiate for the conclusion of a new commercial treaty with Japan.

Following the example of the Cotton Traders Association, the Cotton Yarns and Cloths Exporters Association June 10 approved the decision of the Japan Cotton Spinners Federation to boycott Indian raw cotton.

The Trade Bureau of the Japanese Foreign Office, after having obtained the support of the Ministry of Commerce and Industry, held a meeting June 6 and agreed to urge the government authorities to draft an act aiming at controlling Japan's exports at the earliest opportunity, if necessary by an emergency imperial ordinance.

Japan in Dilemma as Regards India

The Japanese Foreign Office June 10 issued a semi-official statement regarding the Anglo-Japanese relations revolving round the trade controversy between the two countries, in which the opinion was expressed that in case the British Government does not abandon its present economic policy, responsibility for any breach of international commercial relations lies with the British Government.

Finance Minister Takahashi, however, declared that free discussions rather than any retaliatory measure should be the first step taken by the government and people of Japan and that the often suggested enforcement of a retaliatory tariff against British goods and similar measures should only be held in reserve in case amicable negotiations fail.

India May Negotiate With Japan

The Indian Government has informally intimated its readiness to negotiate with Japan for a solution of outstanding trade problems in spite of the new increases in the Indian tariff, according to a report received in Tokyo June 8.

Japanese "Cheap" Products in U.S.A.

An official report from Mr. Debuchi, Japanese Ambassador at Washington received by the Tokyo Foreign Office June 7 reported that the question of Japan's "cheap" goods is assuming a serious aspect in the United States, where Congress has taken up the subject with a view to combatting the "cheap" Japanese imports into the United States.

Japanese Chemical Companys Buy Manchurian Salt

A contract for the purchase of 50,000 tons of Manchurian salt was concluded June 3 between Manchukuo and five chemical companies in Japan, according to Shinji Ueno, when he returned to Japan recently from a trip to Manchukuo. The five companies are the Dai Nippon Fertilizer, the Hodogaya Fertilizer, the Nippon Electro-Chemical, the Nippon Soda, and the Asahi Glass.

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Chinese Public Opinion

BY T. J. BETTS*

THE strength of public opinion in China is well recognized despite the apparent dearth of means for its registration or mobilization. For example, the Kuomintang triumphed in 1926-28 primarily because it had gained general public support; and the Nineteenth Route Army fought at Shanghai against the desires of China's constituted leaders and in response to popular pressure. Again, the possibilities of Sino-Japanese conciliation remain practically unexplored because Chinese statesmen feel bound by the popular insistence that there shall not be the slightest tendency toward compromise.

In general, the Chinese philosophy of government is based on the reason of the governed, rather than on law. The final check on the autocratic power of the ruler, whether of the country, the province or the nation, is that he must conform to the traditions and ethics established for the people as a whole. When dynasties collapsed, they were said to have exhausted the mandate of heaven; in most cases they really had forfeited public confidence.

The laws which govern this force are imperfectly understood alike in China and America. To borrow an analogy from physics, we know its statics, but have only limited means for ascertaining its dynamics. The power of a disciplined and determined minority to impress its will on an apathetic or demoralized majority exists throughout the world, regardless of governmental forms. Intensity of feeling is more powerful than mere volume. That is why any method of counting heads furnishes an imperfect and incomplete indication of the real popular will. And those men who win renown as leaders of public opinion have never been able to rationalize or formulate their methods. In the last analysis they rely on instinct, intuition and tact to determine what the public wants and how badly it wants it.

But even admitting this limitation we still are able to make some sort of qualitative comparison of Chinese and American public opinion. It so happens that the ethos of each people provides a common starting point. In both countries popular judgments are almost invariably based on a criterion of morality. To attain any widespread support, an issue must possess a definite ethical significance, some appeal above that of expediency. In China, as in America, public opinion mobilizes effectively and powerfully only in matters that can be labeled as "right" or "wrong."

Different Ethical System

But while the two peoples have this in common, their courses soon diverge, for the reason that the two underlying ethical systems are so dissimilar in content and outlook. The Chinese concept of morals tends to be set and rigid; the American is more elastic. When the price of grain drops, the American farmer has little difficulty in persuading himself that sinister and immoral forces have caused his misfortune and that governmental measures for redress are in order. The Chinese husbandman feels that a low cash return on his rice crop is part of his destiny, confirmed by centuries of experience, and is to be borne in silent stoicism. On the other hand, crop failures resulting from natural calamities are accepted by American farmers as acts of God, to be accepted quietly and mitigated by governmental aid. The Chinese traditionally associate flood, drought and famine with the shortcomings of their rulers (who must have sinned against Heaven by maladministration), and hence these natural afflictions normally give rise to popular unrest and turmoil.

Again, Chinese officials can afford to disregard petitions for relief from taxes, even when these requests emanate from a board and rightly aggrieved section of the community. Taxers and taxed alike feel that fiscal oppression to the verge of destruction is sanctioned by centuries of usage, and in consequence wide-spread indignation and suffering only rarely result in any mobilization of public opinion on an ethical basis. Yet these same Chinese authorities will hesitate long before decreeing the execution of a single obscure and seditious student. The man they may desire to remove has a definitely safeguarded niche in the social system. He is a scholar before he is a traitor. For him to be secure is accepted as having a permanent moral importance, and violence done to him, regardless of his deserts, can be counted upon inevitably to arouse mass resentment and to crystallize public opinion against his judges.

This rigidity of the moral frame within which Chinese public opinion usually must be accommodated has important consequences. The first is that the popular reaction to usual happenings can be predicted with fair accuracy, so that responsible politicians can generally manage to steer their course in a way to avoid arousing mass opinion. Here we find the roots of the common belief that Chinese popular thought is rudimentary or ineffective. It would be more accurate to say that the tendency toward rigidity in group thinking is so pronounced that by a show of dexterity leaders can avoid awakening adverse public opinion. In this light many of the complex manœuvres of Chinese politics become understandable. The politicians are avoiding the fixed obstacles of a static popular thought.

This rigidity and traditionalism make the mobilization of opinion of large sections of the people regarding new issues and problems slow and difficult. But when opinion is aroused, the action, because of its very rarity, assumes the proportions of a major psychological event. Perhaps the most important instance of it in recent years has been the indoctrination of popular nationalism by Sun Yat-sen and his disciples. As time gives perspective to the work of that great revolutionary, it appears probable that his most lasting accomplishment will be recognized to have been the building-up of a broad nationalistic caste of thought among the Chinese. Yet even here, for the complete accomplishment of his aims, he was forced to blur pure nationalism into traditionalistic anti-foreignism.

Finally, the fact must be stated that the rigidity of public opinion in China can make for the most explosive sort of mass action. The cultural and psychological homogeneity of the race is so perfect that what appeals to the individual or to the section can evoke a similar reaction throughout the whole people. Local antagonisms and rivalries often exist, local interests can and do differ, but speaking broadly there are no local feelings in China. An effective slogan in Peiping will produce equal results in Canton. Commercial advertising in China does not need to make sectional appeals. Indeed, Chinese public opinion may be likened to a vast water table, overlaid by hardened strata of convention and illiteracy. It may be tapped, though with difficulty, by wells driven at any point, and the process of draining by these outlets effects the whole spacious area of the country. Nor is it forcing the analogy too far to call attention to the heavy and impervious nature of the retaining strata, the very pressure of which tends to make the release of public opinion assume the character of an explosion. The riots, anarchy and revolts, both local and national, which fill the long record of Chinese history, may be not inaccurately described as detonations of popular feeling which had been compressed beyond the critical point of endurance.

The Scholars as Leaders

According to Chinese philosophy and tradition, leadership in popular action and in popular thought was vested in the constituted official. He was the representative as well as the ruler of the people. Furthermore, the official was merged with the scholar. Entry into public life lay through the gates of the state examination halls, and every educated man regarded himself as actually or potentially a public servant. The long and arduous study required for success in the civil service examinations drew men into official careers at relatively mature ages. The net result was the establishment of a great body of the learned, essentially democratic in origin, to whom the mass of the people looked for wisdom and guidance and to whom were accorded deference and honor. While the way to public office and public esteem was not entirely barred to men in other walks of life, in effect the scholars set up amongst themselves a self-perpetuating monopoly of leadership.

The Chinese Revolution has changed this state of affairs subtly and profoundly. It has instituted a cleavage between the scholars and the rulers, and though this cleavage is not clean-cut it nevertheless has operated to limit the influence of both classes without substituting any other force for molding public opinion. True, Government is committed to the establishment and mainten-

* Capt. T. J. Betts, writer of this article which appeared in the April number of *Foreign Affairs* (New York), formerly was Assistant American Military Attache in Peiping. He is now attached to the General Staff, U. S. Army, Washington, D. C.

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ance of an influential civil service. But in actual fact many of the men who have risen to power out of the turmoil of revolution are characterized by a lack of cultural background and scholastic tradition. Most of them are soldiers, raised to prominence on the bayonets of their troops; but whether military men or civilians, they represent a break with China's academic heritage.

Because of this dislocation, the ruler has tended to forfeit the confidence of the ruled and to lose much of his power to sway public opinion. The Chinese in authority are fully aware of this. Thus it is that we behold hard-fisted generals ostentatiously writing poetry, studying painting and conducting elaborate rites at the tombs of their ancestors: oriental counterparts of the western rabble-rouser who makes a point of addressing his constituents without a necktie. Yet despite these efforts, the new Chinese officialdom has not been able to bridge the gap that has opened between itself and the republic of letters. There attaches to it the resentment reserved for the parvenu. It possesses physical power, but few instinctive followers. Its ability to mold public opinion is seriously less than used to be that of the officialdom which preceded it.

A similar deterioration has set in with regard to the scholar's ability to direct and fashion the trends of popular thought. Where the ruler has lost in public esteem, the learned man has lost in opportunity. His influence has diminished precisely because he no longer holds, through education as such, either authority or the potentiality of authority. Learning is still in high repute in China, where any sheet of paper that bears ink has an honorable status; but the learned are falling from their lofty estate. In consequence, the tendency is for study to become a path to scholasticism rather than a way to the realization of poltical ambitions. The leader is no longer inevitably an educated man; nor, on the other hand, is the scholar inevitably a leader of public opinion.

Ideas and Aims

On first sight the foregoing observation would appear to merit an important exception. If the scholar has lost or is losing his control over Chinese public opinion, what is to be said of the university student? He still enjoys the general Chinese regard for learning, and he is certainly articulate and active in the leading of popular causes. Much ill has been spoken of the Chinese students. It has been readily believed in America because student participation in political life is alien to the American academic tradition, whereas in many other countries it is regarded as usual and normal. Public activity by the students of China usually can be described as patriotic, courageous and energetic.

The business man, that element of the population which with us has the most to say in the development of public opinion, has little opportunity to do so in China. His voice is not expected to be raised, and if he speaks he is not accorded much of a hearing. This statement is not to be interpreted as denying the business man's influence in matters of government and national policy. He has economic power, of course, and this is frequently heeded by the government and is sometimes decisive. But to be a molder of popular thought he must also be a scholar or else placed in a position of administrative authority. Otherwise he is almost a cipher.

At this point we may pause to observe that the three elements mentioned—officials, scholars and business men—each possesses characteristic opinions. It is too much to call these elements social classes, for they change constantly, overlap and merge; a single individual may be simultaneously an official, a scholar and a merchant. But on public questions each group tends to develop a characteristic viewpoint which it is anxious to have adopted by Chinese mass opinion and which it would like to have reported abroad as being representative of all Chinese thought. It is these group opinions which are most readily accessible to the superficial investigator. They give rise to many of the conflicting reports concerning the ideas and aims of modern China. Their importance is not to be gainsaid; in numerous instances the thought of Chinese statesmen exercises a greater influence on the march of events than does the thought of the Chinese people as a whole. But to consider such group thought as expressive of public opinion is always dangerous, and deductions based on any such process should always be subjected to critical examination.

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IMPORTANT NOTICE

Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.

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An Advertisement of the Chinese Government Railways

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The Chinese Revolution, then, has seen the crumbling of the system which used to give China its popular leaders, nor has that system been replaced. This is not to say that leaders have not been forthcoming. A country which, in one decade, has produced a Sun Yat-sen, a Wang Ching-wei, a Feng Yu-hsiang and a Chiang Kai-shek can challenge comparison on this score. But these men are not the products of a system or of an environment. They have challenged and risen superior to both.

China possesses the same means as does America for building up public opinion: the radio, the moving-picture, the stage, the newspaper, the recorded word in books, pamphlets and placards, the spoken word in formal discourse and in gossip. But the effectiveness of the various agencies is very different. With us the mechanics of mobilizing popular thought centers around the newspapers. They are our most comprehensive source of information in themselves. But that is not all; they hold sway over and confer authority upon all other forms of communication. If we hear a speech, either from the platform or through the air, we turn to the news reports to study it, to the editorial columns for the interpretation of it. We select the plays and motion pictures which we attend from the printed advertisements and above all from the printed criticisms. We tend to be skeptical of rumors until they achieve publication.

In China, on the other hand, the rôle of the newspaper is much more modest. The Chinese journals are flimsy and sketchy. Their columns bear a deserved reputation for unreliability and for often being mendacious. Most important of all, they reach a limited public. The illiterates of China have been estimated at nine-tenths of the population, and, in addition, great masses of the people cannot think of affording even the absurdly small sums which newspapers cost. Thus the Chinese newspaper reaches only the educated few and assists in forming group opinions among scholars, rulers or business men. It is very far from presiding over every stage of the development of popular thought as is the case in America.

Much the same is true of other forms of the printed word: books, pamphlets and handbills. A limited exception should be noted in the case of placards and posted slogans, which are extensively used throughout China. They are composed of only a few words, and their sense is soon learned. Their force when repeated over and over again is considerable. "Down with Imperialism!" and "Swear to Die for the Country's Salvation!" are implanted as firmly among the Chinese people as "It Floats" and "Ask the Man Who Owns One" are among us. But the limitations of this method of appeal are obvious.

The radio is little more than a toy in China. The drama is chiefly historical, and is unresponsive to current happenings. Motion pictures are usually imported from America or Japan; and when made locally they are based either on Hollywood standards or on the historical drama. All of these agencies are negligible in the development of modern Chinese public opinion.

By the process of elimination, therefore, the spoken word stands out as the preëminent means by which the mind of the people is informed and directed in China. The public speaker, be he orator or story-teller, can make a deep impression locally, but the radius of his influence is limited to his immediate audience and is seldom extended by the press. Gossip and rumors, however, spread like wildfire. Events become known or are distorted, are interpreted or misinterpreted, over vast areas with almost telegraphic speed. In matters about which the popular and racial tendency is to be passive, the results are negligible; but in matters about which the people are open to suggestion mass emotion may develop to the point where it verges on hysteria. In China, then, the spoken word is king; but its effectiveness is conditioned by the set standards of those who listen. We have followed a circle and are back to the fundamental homogeneity of Chinese group thought and its rigid frame of traditionalism.

To sum up, Chinese public opinion is badly informed, inadequately led, imperfectly organized. It often remains unexpressed. Yet it exists as a dynamic force of tremendous potentialities and the occasional expression of it is overwhelming. It must be taken into careful account by any observer, historian or statesman who wishes to have a real understanding of what has been done and what can be done in China.

How the "Open Door" Operates in Manchuria

The Mercantile Guardian (a leading London monthly dedicated to export business), in its April issue quoted a correspondent as saying that there is an "open door policy" in Manchuria. The door has been opened to let people out, but various incidents persuade him it is not open to incoming trade except from Japan. The business remaining possible to non-Japanese is limited to such goods as the Japanese do not imitate.

Bright Future Is Predicted for Manchukuo

Official circles at Changchun see a bright future for Manchukuo. It is believed that bandit suppression and industrial development will receive added impetus by the removal of the Chinese threat from the south and the consolidation of the Great Wall line which has been achieved by the Japanese military operations south of the Great Wall—which Manchukuo claims as its natural boundary.

Revolt in Mukden Area Quelled by Japanese

About a thousand Chinese calling themselves the Crimson Spear League consisting of remnants of troops routed and disarmed by the Japanese in the Mukden area and since assigned to patrol duty revolted June 2 and invaded Tungseng Prefecture. They captured important points there and set fire to various places. Japanese and Manchukuo troops rushed to the scene and routed the mutineers.

Bomb Thrower at Work in Mukden

A number of window panes were broken but no one was injured when two bombs were thrown into the compound of the British Consulate-General and exploded at Mukden on the evening of May 31. Three hours later another bomb, consisting of explosives packed in a thermos flask, was discovered in the compound of the Mukden Railway Station. It had failed to explode.

The Mukden police made a sudden raid on a Chinese restaurant in that city May 31 and made wholesale arrests of Chinese long suspected of conspiring to overthrow the Manchukuo regime. The fruits of the raid consisted of secret maps, inflammatory literature, membership lists and other incriminating documents.

Bandits Holding British Captives to Be Rounded Up

A punitive expedition against the bandits who are holding the three British captives from the s.s.*Nanchang*, has been decided upon by the Japan-Manchukuo forces following an assurance from the British Consul-General that they should risk the incidental danger to the captives. Councillor Wang of the Fengtien Government went on horseback June 9, unaccompanied, to the west bank of the Si River, in the Panshan Prefecture, west of Yinkow, and offered the bandits $30,000 on behalf of Manchukuo as a ransom for the release of the three men. The bandits, however, refused the offer and demanded $1,000,000 as a ransom.

Bandits Still Harass Manchukuo

Preparations for a large-scale anti-bandit drive throughout the Mukden Province have been completed by the garrison headquarters, a recent Mukden message stated. The Manchukuo army is enlisting the co-operation of the Japanese garrison troops.

The anti-bandit campaign has been decided on at this time because in summer the thick growth of kaoliang foliage gives cover to the bandits and impedes the operations of the Government troops.

A 27-year-old Japanese guard of the coal mines at Kungchengling near Anshan, was killed by armed bandits early in the morning of May 27 near Takushan.

Bandits Plunder Manchurian Town—Cause Japanese Casualties

The town of Tungfeng, to the west of Tiehling, was raided and plundered by about 800 bandits recently, according to information reaching Mukden June 13. A Japanese infantry company under the command of Lieutenant Yoshie drove the bandits out of the town after an hour's hard fighting. The Japanese give their casualties at one killed, four wounded and five missing.

Mass Emigration of Koreans to Manchuria Planned

The Japanese press states that General Ugaki, Governor-General of Korea, strongly favors the mass settlement of Koreans in Manchuria. The Tokyo authorities are said to have agreed, on the whole, to General Ugaki's view that his plan should be put into force from the next fiscal year. It still remains to be determined whether the Government-General should undertake the emigration

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business, whether it should be left in the hands of a private company, or whether a semi-official company should be established for the purpose.

Manchukuo Gives Facilities to White Russian Colony

A colony of 5000 White Russians, all citizens of Manchukuo, may be set up in the Taonan area, Khingan Province, according to recent Harbin reports. It is understood that the authorities of Manchukuo are favorable to the proposition.

Britain's Mistake vis-a-vis Japan

The *Shun Pao* comments: "Although the present deplorable situation in the Far East is due to the weakness of China, Great Britain has to bear at least a part of the responsibility. From the very beginning of the Manchurian incident Great Britain has remained indifferent in the hope that the Japanese occupation of Manchuria would prevent Soviet Russia from extending her influence in the Far East But when the Japanese actually captured Manchuria and extended their aggressive aims inside the Great Wall, British trade in Manchuria was completely ruined while their interests in North China were also threatened. It was not until then the British Government realized the mistake it had committed in permitting Japan to monopolize the Manchurian market."

Memorial Service for Officers Killed in North Manchuria

A memorial service for 253 officers and other ranks, who had fallen in the engagements in North Manchuria, during the past half a year, was hold at Harbin June 11, under the auspice of the headquarters of the Japanese defense force in North Manchuria.

Weight and Measuring Appliances to Become Government Monopoly

A law was drafted at Changchun, June 11 creating, as a Government monopoly, the manufacture and sale of all apparatus in connection with weights and measures and making the metric system compulsory in Manchukuo in 1942. With the use of existing scales and balances becoming illegal, the Manchukuo Government is contemplating the purchase from Japan of new devices for resale to the public.

Spy Scare Is Raised Against Foreign Firms in Mukden

Manchukuo authorities in Mukden have recently claimed to have obtained evidence showing that at least one Foreign Consulate and a number of foreign banks and commercial firms have been transmitting funds to Chinese plain-clothes men, in addition to receiving and distributing anti-Manchukuo information. The authorities particularly mentioned the local branch of the Hongkong and Shanghai Banking Corporation, charging the bank with keeping in secret communication with Hongkong and Shanghai. The old building of the bank, adjacent to the new one, they said, is equipped with three powerful radio sets for this purpose and is always heavily guarded by private patrols, it was added.

Manchukuo Launches Patrol Boat

The *Haifeng*, one of the six patrol boats ordered by the Manchukuo government, was launched at the Kawasaki dockyard in Kobe June 13. The boat has a displacement of 200 tons and develops 13 knots. She can be used as an icebreaker in the winter.

Geneva Advisory Committee Votes Non-Recognition of Manchukuo

Unanimous approval of the sub-committee's report urging that members of the League of Nations refrain from extending recognition to Manchukuo was voted by the Manchuria Advisory Committee in Geneva June 7.

The committee decided also to transmit the non-recognition report immediately to all interested governments, including the United States, in the form of a circular letter.

Attempted Mutiny at Changchun

The Changchun gendarmerie corps claims to have thwarted a mutiny among 1,000 officers and men of the Manchukuo garrison there, which was on the point of breaking out June 11. Among those arrested is a man named Wang Hao-min, who is stated to have been second in command of the "Country Salvation Corps." Eight Chinese captured by gendarmes here in the last few days are alleged to have confessed. *Reuter* says it is expected that very heavy sentences will be passed upon them if found guilty, and some of them may suffer the extreme penalty.

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Intensive Recruiting and Training of Troops in Hankow

(From The Review's Hankow Correspondent)

THE Anti-Bandit conference of military leaders in this area came to a close when Gen. Liu Chen-hua, Honan-Hupeh-Anhui Border Bandit Suppression Commissioner, and entourage left for Sinyang, Honan, a few days ago. Troops of the 25th Route Army are reported moving northward from Sinyang toward Yencheng, Honan. There are more troops in southern Honan than for years.

Recruiting officers are busy again here in Hankow. It is no unusual sight to see a group of several hundred civilians marching down the Bund on their way to the barracks in Wuchang. The reversal of the government order given here less than three weeks ago not to recruit troops, is rather significant under the present circumstances. Wherever soldiers are billeted, the officers are putting their men through intensive training and drilling.

Gen. Ho Cheng-chun, Hupeh Pacification Commissioner, is soon making a tour of the central and eastern districts to examine the situation vis-a-vis the Reds and the condition of the troops under his command. His colleague, Gen. Hsu Yuan-chuan, Hunan-Hueph Border Bandit Suppression Commissioner, has left Ichang for Shihnan, southwestern Hupeh, to inspect some of the old haunts of Ho Lung, the notorious Red leader.

Morphine Shipment Proceeds to Shanghai

Morphine, in no less than thirty or more boxes and valued at $1,500,000, detained here for some time on its way from Szechuan to Shanghai, was finally released, when it became evident that certain Szechuen military leaders were more than casually interested in its reaching its proper destination.

Shortage of Railway Cars

How large is Feng Yu-hsiang's following and how wide is his influence? Already his action has affected the freight service on the Peking-Hankow railway, shippers complaining that there are insufficient cars to handle produce destined for Hankow and ultimately export to foreign countries. Evidently freight cars have been withdrawn from the regular service and diverted to military use in the north. Here in Hankow General Liu Chen-hua, Border Bandit Suppression Commissioner for Honan, Hupeh, and Anhui, has deferred his trip to Kwangchow in southeastern Honan, remaining in conference with Hupeh Pacification Commissioner, General Ho Cheng-chun, and with General Liang Kuan-ying the Director of the 25th Route Army stationed along the Peking-Hankow railway north and south of Sinyang, Honan, 150 miles north of Hankow. Travelers from Chengchow, Honan, at the intersection of Peking-Hankow and Lung-Hai railways, report that a huge military hospital has been opened in one of the buildings of the cotton mill. There is no large troop movement in evidence along the railways in Honan or Hupeh. The passenger trains are running on schedule time.

The soldiers belonging to the 25th Route Army have gained the reputation of being the best troops stationed at Sinyang during the last few years. East of Sinyang in Loshan, Kwangshan, and Kwangchow the government troops have been pressing the Reds southward. Motor roads are being built in several of the counties bordering on Hupeh and Anhui, in order to facilitate the movement of troops. While there has been no outstanding victories for the government troops, smaller bands of Reds have been captured almost daily and beheaded, their heads adorning the city walls of Kwangshan.

Communists Cause Depredations

Shippers along the Han river, report that many villages about forty miles north of Hankow, have been burned by Reds, with the result that scorched boxes containing produce from this district tell eloquent tales of the insecurity and uncertainty that broods over central Hupeh. Just over the border in northeastern Szechuen, ca. 175 miles north of Chungking, the Reds have captured two county seats, Nankiang and Tungkiang.

To better cope with the Reds on the border between Hunan and Hupeh, the Nanking government has appointed Gen. Hsu Yuan-chuan, as Border Bandit Commissioner for the two mentioned provinces. No definite action has been initiated against the Reds in southwestern Hupeh, where Ho Lung is still at large.

In Hunan Gen. Ho Chien, the provincial chairman, has appointed men to take charge of the Bandit Suppression Campaign. In the meantime it is reported that two contingents of his troops have gone over to the Cantonese at Hengchow 100 miles south of Changsha. On June 6 a representative of the Cantonese troops motored to interview Governor He Chien. Ho intimated that the Cantonese forces were eager to march northward and resented the idea of turning back.

Fight Reds or Fight Feng or a Feng-Canton Alliance?

Obviously the bandit suppression campaign is being held in abeyance until more important issues have been dealt with. A most important conference is being held in Nanchang June 8. Gen. Chiang Kai-shek has requested reports from all divisions and brigades, so as to size up his man power. These military conclaves in Hankow, Changsha, and now in Nanchang, Kiangsi, are rather ominous. War clouds again.

Hankow, June 8, 1933.

Soviets Name Delegates for Conference on C.E.R. Sale

According to an official dispatch from Ambassador Ohta in Moscow, the Soviet Government has appointed the following to act as Soviet delegates to the negotiations to sell the Chinese Eastern Railway to Manchukuo: M. Yurenev, Soviet Ambassador in Tokyo; M. Kazlovsky, chief of the Far Eastern division of the Foreign Affairs Commissariat; M. Kuznetsoff, deputy director-general of the Chinese Eastern Railway. Negotiations will begin in Tokyo on June 25. M. Kazlovsky left Moscow for Tokyo on June 8.

M. Kuznetsoff, the Vice-President of the C.E.R., departed from Harbin for Tokyo during the week to attend the C.E.R. negotiations.

The present negotiations are being handled on behalf of Soviet Russia, by M. Sokolnikov, former ambassador to London, who was recently appointed additional vice-Commissar for Foreign Affairs in charge of the Far Eastern section, in succession to Leo Karakhan who heretofore has been in charge of Far Eastern affairs, but who will in future limit himself to Near Eastern matters.

Manchukuo's representatives are believed to be composed of the following: Ting Shi-yuan, Minister in Tokyo; C. Ohasi, Manchukuo's Vice-Foreign Minister; N. Morita, an official of the Communications Ministry. The purchase agreement, if made, will probably be signed by Ting Chen-hsiu, Minister of Communications, representing Manchukuo.

Nanking Government Is Helpless in C.E.R. Matter

The *Peiping Morning Post*, June 6, commented:—"The National Government has not taken any action since its protest to Moscow last month. Apparently our authorities again stand helpless in the face of a most difficult problem. The offer of Moscow to initiate negotiations with Manchukuo at Tokyo may be regarded as a prelude to the recognition of the puppet state, for negotiations would be impossible without Soviet Russia recognizing Manchukuo as an equal. Knowing that Moscow is anxious to dispose of its interests in the C.E.R., Japan is bringing pressure to bear on Moscow to have it recognize Manchukuo first. The more anxious Russia is to part with her interests in the C.E.R. the more cruel will be the methods which Japan will adopt in forcing Russia to recognize Manchukuo. We don't know what led the Government to resume diplomatic relations with Moscow and why it is still silent after it delivered its first note of protest to Moscow."

Robert J. Grant Takes Up Duties of Technical Adviser to Central Mint

Robert J. Grant, former director of United States mints, arrived in Shanghai June 9 by the Dollar liner *President Coolidge* to assume the post of technical adviser of the Government Mint.

The appointment was made recently by the Ministry of Finance through Dr. Alfred Sze, Chinese Minister to the United States. Before his departure for China, Mr. Grant held conversations with T. V. Soong, the Finance Minister, in Washington. He was met on his arrival by Lu Hsueh-pu, director of the Mint, Lott Wei, vice-director, and several other Government officials. A reception was given in his honor by the Mint authorities at the Husi Club in Hungjao Road June 1.

Who's Who in China

Maj-General T. P. Young, diplomatic official; born in Szechuen, 1885; graduate of the Japanese Military Officers' College, Tokyo and Toyama School; served as section chief, secretary and counsellor to the Ministry of War of Peking Government, 1912-15; Chief-of-Staff of the Headquarters of the Military Governor of Szechuen, 1916; Chief of Staff to the Garrison Headquarters of Peiping and later of the Garrison Headquarters of Peiping and Tientsin, 1929; member of the College of Marshals, 1932; now, military attache to the Chinese Legation in Tokyo, Japan; address: Chinese Legation, Tokyo, Japan.

Mnj-Gen. T. P. Young
(Yang T'ing-pu)
楊 廷 溥

楊廷溥四川人，年五十一歲，日本陸軍士官學校及戶山學校畢業，民國元年至四年任陸軍部科長祕書參事等職，民國五年任四川督軍署參謀長，十八年任京畿衞戍暨平津衞戍司令部參謀長，廿一年任將軍府將軍，現任中國駐日公使館陸軍武官，授陸軍中將銜。

Harvard University Offers Graduate School Courses for Business Men

Pamphlets have been received in Shanghai from Dr. G. B. Roorbach, professor of Foreign trade of the Graduate School of Business Administration of Harvard University, outlining the plans of a business school to give special consideration during the next school year to men who have some business experience. This is planned to be done by the formation of a special section for the more mature and experienced men who have been out of college for several years. Through cooperation with the Yale Law School and the Harvard Engineering School, combination courses are now available for men preparing for law and engineering, to obtain also a business training in connection with their other work. Applications for the class entering in the fall of 1933 may be addressed to the Secretary of the Committee on Admission, Harvard Business School, Soldiers Field, Boston, Massachusetts.

Geneva Hopes to "Tame" Shanghai and Singapore

A recent *United Press* despatch stated that the League of Nations has before it detailed proposals to "tame" Shanghai and Singapore by abolishing licensed and recognized brothels.

Recommendations designed to reduce international traffic in women in the Far East and to suppress prostitution were submitted to the League by an official Commission of Enquiry headed by Bascom Johnson, of New York. At a committee meeting called to study the report, Victor Hoo, of China, reported that responsibility for conditions in Shanghai could not be attributed to Chinese authorities because licensed brothels were prohibited in the Chinese part of Shanghai but they were permitted in the foreign settlements.

Who's Who in China

(Supplement to the Standard Edition)

There will be published shortly a supplement to the standard book, "Who's Who in China," which will contain some 200 biographical sketches of Chinese men and women who have come into prominence since the Fourth Edition (1931) was issued. It also will contain revisions of some of the sketches which appeared in the Fourth Edition.

For example, the Supplement will contain the pictures and sketches of several leaders who have come into prominence as a result of the Sino-Japanese conflict, such as Generals Tsai Ting-kai, Chiang Kwang-nai and Oung Chao-wan of the 19th Route Army, Chang Chih-chung of the 5th Army; Ma Chan-shan, Su Ping-wen and Li Tu of the Manchurian campaign; Sung Chih-yuan of Chahar, Han Fu-chu of Shantung, Yu Hsueh-chung of Hopei, Chu Ching-lan of the Volunteers, etc., etc., etc.

For those who possess a copy of the last, or Fourth Edition, a copy of the Supplement, is indispensable.

READY FOR DISTRIBUTION ABOUT JULY 1.

No office, home, school or public library is complete without **Who's Who in China**, containing the pictures and biographical sketches of most of China's leaders in the fields of politics, business, education and the other professions. In addition to a record of their careers, it also contains their latest addresses, matters of vital importance to those who would keep up with events in China and the Far East.

The prices, including postage, for the Supplement as well as the standard edition are as follows:

	(In China)	(Abroad)
Supplement	$ 2.50	G.$1.00
Standard Fourth Edition (1931)	10.00	4.00
Both books	11.50	4.50

Send orders with check or postal order to the undersigned,

The China Weekly Review

38, Avenue Edward VII

Shanghai.

Men and Events

The American University Club of Shanghai held its annual dinner at the American Club June 14.

Another batch of 118 Chinese deported from Mexico arrived in Shanghai June 9 on the Dollar liner *President Coolidge*.

The entry into Germany of the *Daily Herald*, official organ of the British Labor Party, has been banned for an indefinite period.

A group of members of the House of Peers, headed by Dr. N. Hijikata, sailed from Yokohama June 10 on an inspection tour of the South Seas.

P. M. Anderson of Anderson and Ferroggiaro, agents for General Motors, has returned to Shanghai from a business trip of several month spent in the United States.

According to telegraphic reports the recently enacted tea-planting and tea-export restriction ordinances in Netherlands India will be enforced from June next.

A recent Nanking message stated that General Liu Chen-nien, who was recently relieved of the command of the 21st Division, in East Chekiang, may soon begin a trip abroad.

The U. S. House of Representatives June 10 appropriated $3,459,000,000 for President Roosevelt's public works program and for the Mussle Shoals and Tennessee Valley programs.

The Viennese-born widow of a Japanese named Ueda, the only woman aviatrix in Japan, has become a stage dancer in Tokyo, hoping thereby to raise funds to buy a plane to fly back to Austria.

The Ministry of Communications is negotiating with the Overseas Affairs Commission for the transportation to China of 270 unemployed Chinese at present residing in Nagasaki.

The American Community Committee in a recent circular announced that since November 22, 1932, 663 Americans had contributed to the Community chest, the total contributions being $9,005.93.

Generals Chen Ming-shu and Chiang Kwang-nai arrived in Hongkong June 7. Interviewed, both Generals Chen and Chiang insisted that the anti-Japanese war should be continued under any circumstances.

A Tokyo telegram June 8 stated that it was understood that Prince Fumimaro Konoye, has accepted the post of the Speaker of the House of Peers, which post was recently vacated by Prince Iyesato Tokugawa.

The Chinese pavilion at the World Fair in Chicago was opened to the general public June 1. Formal inauguration ceremonies took place later in the presence of Alfred Sze, the Chinese minister to the United States.

Fear of another disastrous flood in the Hankow area due to the continuous rise of the River Yangtze is expressed in recent messages from that area. The River on June 11 was only five feet below the level of the Bund.

The Annual Summer Bible Conference of the Bethel Mission will be held July 4 to 14 in Shanghai. Dr. John Sung, Rev. Andrew Gih and their World Wide Evangelistic Band will take a leading part.

The Ministry of Industries at Nanking, June 7, is reported to have instructed the Chinese delegation to the International Labor Conference to bring up the question of factory inspection in the foreign settlements in Shanghai.

Civil and military officials returned to Nanking, June 9 after a visit to Ma An-shan, Anhuei, where they made another inspection of the site chosen for the projected State-owned steel plant. They expressed themselves in favor of the site.

J. W. Carney, assistant general manager of the Standard Oil Company of New York, has returned to Shanghai from home leave spent in the United States. Mrs. Carney and their children will return to Shanghai this fall.

Reports appearing in the Tokyo press June 10, declared that the Japanese Ambassador at Washington, Mr. Debuchi, will be recalled. Kojiro Matsukata, ex-president of the Kawasaki Dockyard Co., was mentioned as one of his possible successors.

Frank Barris was arrested in San Francisco last week while attempting to re-route an opium shipment valued at G.$250,000 from San Francisco to Los Angeles, alleged to have been consigned to the Ezra brothers from Shanghai, now under indictment in San Francisco.

According to a recent New York dispatch an automobile stolen in Brooklyn June 20, 1932, the property of the wife of State Senator Hastings of New York City, was recently located in Sinkiang province, China.

Construction of a branch railway line joining Tientsin with Paotingfu is proposed by the Peiping-Liaoning Railway Administration as a means of unemployment relief for its former staff and employees. The proposal has been submitted to the Ministry of Railways for consideration.

A large number of persons, including high officials, crowded the Chungshan Memorial Hall at Canton, June 7 to give a public welcome to General Wang Teh-lin, the Volunteer leader who was forced to escape into East Siberia last year when his troops were crushed by the Japanese.

Dr. Shigeyasu Tokunaga, a geologist attached to the staff of Waseda University, Tokyo, announced recently that he would head a tour of exploration into unknown areas in West Jehol and Eastern Mongolia in the middle of July. He passed through Dairen on his way north June 8.

Dr. Lo Wen-kan resigned both the portfolios of Minister for Foreign Affairs and Minister of Justice, June 7, due to a recurrence of the serious eye trouble which a month ago threatened the loss of his sight. The official version is that the Executive Yuan has granted him a fortnight's leave.

Six Italian naval men broke into the projection room of the Carlton Theater in Shanghai while a matinee was proceeding June 13, forced the operator to stop the machine and carried away a portion of the film from "The Big Drive," a picture showing many of the encounters of the World War.

James J.Mattern, the American airman, who is making a round-the-world flight, took off from Habarovsk June 13 at 10.15 p.m., but returned several hours later, having lost his way in a fog. His hope of beating the Post-Gatty record is gone, but he hopes to make a good round-the-world solo flight.

Negotiations between the Chinese authorities and the Municipal Council for the rendition of the extra-Settlement roads have not made much progress of late, according to the Chinese newspapers. The Japanese authorities still insist on maintaining police rights on roads where there are many Japanese residents.

Three native Chinese clegymen were consecrated as Bishops in St. Peter' in Rome, June 11, by Pope Pius XI. who were consecrated are: Reverend Fathers Those Joseph Tsui of Yungnien in the Province of Hopei; Joseph Fan, vicar at Tsining, Inner Mongolia and Matthew Li Yun-ho vicar at Yangchow in Szechuen.

The Central Executive Committee at Nanking, June 8, decided to appropriate $50,000 for the purchase of grain and seeds for distribution among Shensi farmers in view of the famine in that province and to appropriate another $100,000 for the organization of conservancy work in the Wei River district in Southern Shensi.

During the year 1932, 520 discoveries of contraband drugs were made by Customs agents aboard shipping vessels, according to statistics published in Nanking June 11. Of these vessels, 370 were foreign: British 307; Japanese 36; American 6; French 6; Portuguese 5; Norwegian 5; Italian 4; Danish 1; and 150 Chinese.

Akira Ariyoshi, Japanese Minister to China, paid an official call on Wang Ching-wei at Nanking June 8, the conversations occupying more than an hour. Opinions were exchanged on the questions concerning the recent armistice in North China, the anti-Japanese movement as well as the Chinese Customs tariff.

Li Ping-heng of the Ministry of Industry stated in Nanking June 8 that a Central Bureau of Factory Inspection will probably be inaugurated July 1. Chen Kung-po, Minister of Industry, said in an interview that no decision has yet been reached regarding the proposal for the organization of a joint bureau by the Chinese and Shanghai Settlement Authorities.

According to the *Osaka Asahi*, Frank R. Freeman, managing director in Shanghai of the Dorman Long Company (Metropolitan-Vickers Electrical Export Co., being one of the companies with which they are associated) was recently fined fifty yen by the Shimonoseki Gendarmerie, for taking pictures of fortified zones. It is alleged that Mr. Freeman, in taking pictures of a group of children on Fusan pier also photographed part of the fortified zone, and later, when passing through the Kwannon Straits, he took both stills and movies of the Moji district.

Dr. Hikozo Endo, professor of Tohoku Imperial University, was recently examined by the Berlin authorities on suspicion of spying, according to information received in Tokyo. He was arrested while conducting investigations in a Berlin water reservoir area, where he had trespassed without permission.

The National Foreign Trade Council in convention at Pittsburgh, Penna., last month, issued a Declaration flatly opposed to "Buy National" campaigns in all countries, including America. The Declaration also opposes the issuance of fiat money in any form, stating that "It is only by a sound money system that there can be an early return to prosperity."

Students of private middle schools in Nanking staged a one-day strike June 7 as a protest against the system of joint examination under the supervision of the Municipal Bureau of Education. While deploring the action taken by the students, Wang Chung-chieh, Municipal Commissioner of Education, announced that the strike would not alter the plans for the examinations.

Recent Australian papers note the arrival in the Commonwealth of Masayuki Okamoto, superintendent of the Japanese Government sheep-breeding farm at Sapporo, Hokkaido, and Capt. Takeshi Kashima, of the Imperial Army, the former to buy 400 Australian Corriedale sheep and the latter 30 Australian thoroughbred horses for officers in the Japanese cavalry schools.

The engagement of Dr. M. T. Z. Tyau and Miss Yang Diao-faung was announced in Shanghai June 10. Miss Yang is the daughter of Mr. and Mrs. Yang Chen-hsiang of Hangchow. Dr. Tyau was formerly director of publicity of the Nanking Ministry of Foreign Affairs. The affianced couple are planning to sail next month for Canada to attend the fifth biennial conference of the Honolulu Institute of Pacific Relations.

The 160-ft. gunboat *Sandpiper*, the latest addition to the British Yangtze Flotilla, was launched at the Kiangnan Dock June 9. The naming ceremony was performed by Mrs. A. C. Mauchan, wife of the technical manager of the Kiangnan Dock. The *Sandpiper* was fabricated in the Thornycroft shipbuilding yard at Southampton, was shipped in cases to Shanghai and re-erected at the Kiangnan Dock. The keel was laid on April 5.

The British inquest into the death of Leslie Malcolm Bell has been adjourned until July 10. H. D. Rodger, N. F. Allman and Myron Wiener attended the proceedings at the British Police Court last week. They said in reply to Coroner Haines that they would appear in the U. S. Court as counsel for a "certain person" charged with the death of Mr. Bell. The trial of Morton Hargrave on an indictment charging the murder of Mr. Bell will be commenced in the U. S. Court for China before Judge Purdy June 20.

Public drawings for the redemption of part of the principal of seven groups of outstanding obligations were held June 10 at the Shanghai Chinese Bankers' Association under the supervision of the representatives of the Ministry of Audit, the Shanghai Chinese Bankers' Association, the Shanghai Native Bankers' Guild, the Shanghai Chinese Chamber of Commerce, and the National Loan Sinking Fund Commission. Loy Chang, Director of the Loan Department of the Ministry of Finance officiated.

China Foundation Asks for Payment of Boxer Indemnity Installments

H. C. Zen, the director of the China Foundation, June 11 addressed a telegram to Wang Shih-chieh, the Minister of Education, requesting him to urge the Ministry of Finance to remit the April and May payments due to the Foundation under the American Boxer Indemnity. Mr. Zen says that if the back payments for the last two months are not met, the Foundation cannot proceed with its program for next year.

Scope of Morgan Enquiry Is Extended

The U. S. Senate June 8 empowered the committee investigating the affairs of J. P. Morgan and Company to question the partners regarding their individual tax returns. The Senate has appropriated an additional $100,000 in order to permit the committee to continue its investigations until the next session of Congress and to include in the scope of its enquiry into other private banks such as Kuhn, Loeb and Co. and Dillon-Read.

J. P. Morgan made a sharp denial June 10 to the charge that men of affairs on the firm's subscriber lists had been chosen for "any actual or potential political relations." He made a lenghty statement defending his business against all the attacks made upon it.

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Feb. 14, 1925	Vol. 31 No. 11
Dec. 11, 1926	Vol. 39 No. 2
May. 5, 1928	Vol. 44 No. 10
Feb. 7, 1931	Vol. 55 No. 10
Feb. 28, 1931	Vol. 55 No. 13
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New Books of Interest in the Far East

China's Relations With Foreign Countries

China's Foreign Relations, 1917-1931. By Robert T. Pollard, Ph.D., Assistant Professor of Oriental Studies, University of Washington. The Macmillan Company, New York, 1933. Cloth; pp.408 with index. Gold $3.50.

Mr. Pollard has wisely delimited the events dealt with in this book. The story begins with China's entry into the World War; it closes upon an international scene still untroubled by the Japanese invasion of Manchuria. But the fourteen years treated have quite sufficient eventfulness and moment in themselves. Indeed the book will have a permanent value for all who wish to study Chinese or Far Eastern international relations. It is full of information, its judgments are discriminating and sympathetic, its style has the flavor that belongs to good literature. The logical arrangement of the material may be seen in the topics chosen for chapter headings: Chapter II, China in the World War; Chapter III, Versailles; Chapter V, The Liquidation of Russian Interests in China; Chapter VI, The Recognition of Soviet Russia; Chapter VII, The Washington Conference; Chapter IX, The Rise of Nationalism; Chapter X, Tariff Autonomy; XI, Extraterritoriality, Residential Concessions and the Chinese Eastern Railway.

Whether China did well to enter the World War may be questioned by some. Her decision to do so was received by the Chinese people (as the reviewer well remembers) "with almost pathetic indifference." Yet there was some reason for the declaration of Paul S. Reinsch, the American Minister, that this was "China's first independent participation in world politics." Certain leaders, notably Dr. C. T. Wang, Dr. Wang Ch'ung-hui, and Liang Ch'i Ch'ao, took a clear initiative in the matter, and gave reasons, when the war was over, for China's asking for her reward. Therein lies a good part of the significance of the years of which this book is a study. The diplomatic break with Germany and Austria set precedents, to which the allied powers gave their encouragement, for the abolition of extraterritoriality and the return of concessions, which the Chinese were not slow afterwards to apply to all countries. This experimental situation in respect to certain foriegn nationals resident in China was rendered still more complex by the magnificent gesture whereby Soviet Russia declared abolished all the privileges gained under the Tsarist treaties. The modernization of China's law courts and procedure was undoubtedly hastened by these events; for in them the Chinese Government perceived a challenge. The detailed information, carefully documented, which Mr. Pollard gives in large measure on the working out in practice of these consequences of China's entry into the war is of considerable interest, for in them can be seen the germ of much future development.

The chapter on the Washington Conference and that on the Rise of Nationalism give two sides of one story: in the former, the attempt of the powers to consider China's claims collectively and to unite upon a policy in Far Eastern affairs; in the latter, the aggressive determination of China to assert herself. Instances of this new self-assertion are furnished in the circumstances attending the Chen-O'Malley Agreement, the dismissal of Sir Francis Aglen, and the denunciation of the Belgian Treaty of 1865. The chapter on Tariff Autonomy shows both influences which have been cited at work; for in this matter what the powers withheld, China proceeded successfully to take. The subject of extraterritoriality did not lend itself to such arbitrary settlement, but the author carries the story of that as far as it goes.

In the concluding chapter of the book. Mr. Pollard finds the period characterized by a change of attitude toward China on the part of the powers; a change accounted for by war-weariness and its more affirmative counterpart, a moral sentiment against coercion; by the need of removing causes of possible international conflict in the Pacific area; by a new need for markets, noticeable most in the policy of Great Britain; and by the danger from communist propaganda if China's desires were not in some way met. On China's part he notes a determination to deal with the powers not as a unit but individually, and an unwillingness to accept the *status quo* of the treaties. The tables, in other words, have been somewhat turned. The Chinese who from day to day sees cause only for discouragement in his country's foreign relations may well find encouragement in the actual achievements of an affirmative policy dictated by the self-respect which it is her right to assume. One may borrow the words of Thomas F. Millard, as quoted by Mr. Pollard: "It has been said, and justly, that if all branches of the Chinese Government displayed the ability its diplomats usually do, especially in the last decade, China would be one of the leading nations of the world."

D. ROBERTS.

St. John's University, May 29, 1933.

The Rising Strength of Japan

Japan: Mistress of the Pacific?, by Colonel P. T. Etherton and H. Hessell Tiltman (Jarrolds, Publishers, 34 Paternoster Row, London, E.C.4.)

The authors of this volume are not unknown to those readers who have followed closely the succession of books dealing with the Far Eastern theater with which the public has been deluged during the past decade. Some four and a half years ago (December 15, 1928) a former book of theirs, "The Pacific: A Forecast," to be exact, was reviewed in these columns. With the exception that the present volume devotes a majority of its subject matter to a survey of the social and economic conditions in Japan, the two volumes are much the same; a tribute to the sincerity and consistency of the authors.

This book cannot be said to contribute anything new to the knowledge of the Pacific Area. It does, however, present the old issues in compact form, and the wealth of data on the industrial and financial situation in Japan testify to the research efforts of the authors. The latter have been both fair and gracious in their treatment of the position of America in the Far East. Referring to America's relations with China they say, for example:

"Meanwhile, however, the United States stands revealed as the firm friend of China and the convinced and open opponent of Japanese aggression in that country. While American interest in, and friendship for, China is based upon a desire to secure a share of the valuable Chinese market for her manufacturers, it would be manifestly untrue to ascribe her support of the 'open door' policy to interested motives alone. The American record as a Pacific Power has been tempered with altruism, and the Chinese have always occupied a special place in American regard."

With regard to Britain: "On the other hand, Britain harbors no 'Imperialist' aims; her policy marches step by step with that of the United States in seeking to maintain the *status quo* and equal opportunity for all in peaceful trade."

Messrs. Etherton and Tiltman possess an entertaining style, which makes all their books extremely easy to read. That they offer no new solutions to the complexities of Far Eastern politics is disappointing but not surprising. The Man of the Hour still sleeps. Genius awaits yet another day to be revealed.

E. F. C.

The "Glacier" Priest

Mush, You Malemutes!, by Bernard R. Hubbard, S. J. New York, The America Press, 1932. G.$3, by post G.$3.20.

The author is so well-known in America as "The Glacier Priest" it seems hardly possible so few in China know of him and his interesting experiences in Alaska during the past six years. When Father Hubbard comes "out" from Alaska's mountains, glaciers and rivers he is much in demand as a lecturer from both platform and over the radio. Not only that, but he has been immensely popular by virtue of the delightful accounts which have appeared in *The Saturday Evening Post.*

Mush, You Malemutes! is a compilation of the stories which have appeared in the *American Weekly*, with the addition of many of the author's remarkable photographs and four maps. Father Hubbard is on the faculty of Santa Clara University, in California, but his real love seems to be exploring the huge Alaskan glaciers and volcanoes, on foot, dog mushing, by boat or by airplane.

"The Glacier Priest" is so enthusiastic about all his experiences, hazardous though many of them were, that one reading of them has a momentary pang of regret that he was not along to see some of the marvelous things Father Hubbard witnessed. In other words, *Mush, You Malemutes!* is so well-balanced in the scientific and popular facts offered to the reader that all classes of people will be interested in reading of the dogs, Mageik,

Katmai, Margey, and Snockum; of mysterious Island Bogoslof; of erupting Aniakchak; of orchids and ice, sea-lions and Esquimaux, and in looking time and again at the truly remarkable photographs. M. V.

A New Edition of Sir Edwin Arnold's Verse

The Light of Asia, or The Great Renunciation. Being the Life and Teaching of Gautama Buddha. By Sir Edwin Arnold, M.A., K.C.I.E., C.S.I. Illustrated by Willy Pogany. David McKay Co., Philadelphia.

"The Light of Asia," as told in verse by an imaginary Indian Buddhist, is not a new book. But this edition de luxe, beautifully illustrated by Willy Pogany, *is* new and much to be desired for the books shelves of the most fastidious.

The artist is modernistic, but not futuristic, if a layman may presume to comment on his art. The illustrations are all in black and white,—done originally in charcoal perhaps, as there is a pleasing softness about them. One of the most beautiful, appearing on Page 12, is also used as the cover design. It is of the young Prince Siddartha who took the white swan that his cousin had shot into his lap,—

"Caressed it into peace with light kind palms
As soft as plantain-leaves an hour unrolled;
And while the left hand held, the right hand drew
The cruel steel forth from the wound, and laid
Cool leaves and healing honey on the smart."

The artist's imagination has had free play in the illustration of Karma, where from the prostrate body pass all the forms of Self, male or female, through which he has struggled until freed from all desires and ties,—

"— saved
From whirling on the Wheel; aroused and sane
As is a man wakened from hateful dreams.
Until—greater than kings, than gods more glad!—
The aching craze to live ends, and life glides—
Lifeless—to nameless quiet, nameless joy,
Blessed NIRVANA—sinless, stirless rest—
That change which never changes!"

Those who have never read, or at least have never possessed, Sir Edwin Arnold's "Light of Asia" should make a special effort to secure this new edition, so artistically illustrated by Willy Pogany. G. T. F.

Recent Pamphlets Received

A recent pamphlet issued by the Carnegie Endowment for International Peace entitled "International Conciliation" contains discussions on "Isolation:—An obsolete principle of the Monroe Doctrine," by John B. Whitton; and "An International Drama," by Edouard Herriot.

The May 10 issue of *Foreign Policy Reports* is devoted to a discussion of "Political Realignments in Europe," by Vera Micheles Dean, who says that the negotiations precipitated by the growing demand for territorial revision may not only lead to political realignments in Europe, but may develop into a conflict between great and small states, in which the very existence of international organization, as represented by the League, will be at stake.

The *Vestnik Manjurii* (Manchuria Monitor) published in the Russian language is the name of the monthly house organ issued by the Chinese Eastern railway. The May issue contains 140 page of informative matter. The present indications are that the publication of this journal in the Russian language will come to an end in the near future.

The *Science Journal* published by Lingnan University issued at Canton May 22 contains 294 pages with illustrations covering a wide range of subjects, including a treatise on the pottery industry in Shek-Waan (Kwangtung) by Hoh Shai-kwong, Assistant Professor of Chemistry at Lingnan University.

Real Estate Notes on the Western District, by Realty Investment Company

The big new works of the Union Brewery on Ichang Road are well under way and great activity reigns there. Further down on Mokanshan Road a large cotton mill is nearing completion.

The Conzaga College of the American Jesuit Fathers at the corner of Kiaochow and Singapore Roads will be ready for occupation next month.

Another big developement scheme of shops and hongs is well under way in the Robinson and Ferry Road vicinity.

The New home of Dombey & Son at the corner of Bubbling Well and Medhurst Roads is completed.

RECENT SALES.

Great Western and Edinburgh Road corner B. C. Lot Area Mow 2. 8. 0. 5; 5 Mow. Hungjao and Fraser Roads; 3 lots, Columbia Circle; 6 Mow on Great Western Road, Tls. 12,000 per mow; house on about one mow and a half in Yu Yuen Road beyond Edinburgh Road; 2½ mow, Jordon Avenue, at a little over Tls. 8,000 per mow.

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The condition of the blood is an index to the condition of the health. A man does not grow old when his bloodstream is kept at normalcy,

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INSOMNIA-RHEUMATISM-SCIATICA-
WOMEN'S AILMENTS.

65-145

A Survey of China's Trade With the United States

BY HO PING-YIN

(People's Tribune, May 1)

(Continued from last week)

In the last two years, raw cotton, kerosene, tobacco, wheat and flour were the principal articles imported from the United States, while imports of machinery, timber, and automobiles were also considerable. Raw cotton imports amounted to C.G.U. 84,000,000 in value during 1932, and those of tobacco and kerosene each amounted to over C.G.U. 20,000,000. In 1931, 98 per cent of China's tobacco import came from the United States, practically the sole supplier of tobacco to China. During the same year imports of American lubricating oil, timber, kerosene and raw cotton each occupied approximately 60 per rcent of China's total import of these commodities, and automobiles and photographic materials amounted to over 50 per cent. None of these imports, with the exception of printing-ink however exceed 20 per cent of the American total exports of these goods, as shown by the table on page 867.

In the following comments each of the principal imports from the United States is dealt with separately.

RAW COTTON

Prior to the world war, imports of raw cotton from the United States amounted to less than a million dollars in value annually. Since the war, however, imports have increased rapidly for the following three reasons: (i) rapid development of cotton spinning, particularly the manufacture of fine yarn in China; (ii) decrease in China's cotton output and deterioration in quality (iii) the low price of American cotton owing to abundant crops in recent years. In spite of the greater distance between China and the United States, raw cotton imports from that country far exceeded those from India in volume. In 1932 about 3,100,000 piculs of American cotton were imported, while imports from India amounted to only about 450,000 piculs. The fibres of American cotton are of greater length than of the Chinese variety, and consequently supplies are necessary for the manufacture of the yarn. Cotton imported from India, however, is good only for coarser counts. As the manufacture of fine yarn, particular above 40, is developing rapidly in China, it is expected that raw cotton imports from the United States will be still greater in the near future.

Shanghai is the principal market for American cotton with Tsingtao, Hankow, Tientsin, and Dairen next. An import duty of C.G.U. 2.1 is imposed on every picul of raw cotton imported from America by the Chinese customs, but no export duty is levied in the United States.

The following table gives a comparison between the raw cotton imports from the United States and other countries:—

CHINA'S IMPORTS OF RAW COTTON

Year	From U.S.A. Piculs	Percentage of China's Total Cotton Import	From India Piculs	From Japan Piculs	From H'kong Piculs	From other Countries Piculs	Total Piculs
1912	141,200	50.5	97,124	14,063	31,417	9,141	292,945
1916	120,797	7.3	289,852	47,384	42,047	3,204	414,456
1922	516,676	8.7	981,136	140,754	30,458	10,811	1,690,138
1926	506,424	18.4	1,529,033	733,964	2,564	23,633	2,745,017
1927	917,047	37.9	748,551	805,601	6,981	13,204	2,415,482
1928	489,230	25.5	981,673	447,735	1,703	12,949	1,916,140
1929	819,127	32.5	1,323,002	366,302	4,933	820,549	2,514,786
1930	1,143,874	33.8	1,941,681	350,591	19,898	144,324	3,456,494
1931	2,573,757	55.3	1,811,076	247,069	1,971	2,060,116	4,652,726
1932	3,102,351	83.5	453,629	88,934	4,330	3,165,963	3,712,856

KEROSENE

CHINA'S IMPORTS OF KEROSENE

Year	From U.S.A. Inanfity (1,000 Galls)	Percentage in China's Total Oil Import	From India (1,000 Galls) Inanfity	From H'kong Inanfity (1,000 Galls)	From Straits Settlement Inanfity (1,000 Galls)	From Java Inanfity (1,000 Galls)	Total Inanfity (1,000 Galls)
1912	109,610	55.3	20,020	28,226	35,229	3,985	199,169
1915	107,608	58.1	14,658	33,929	16,223	891	185.155
1920	124,705	65.7	20,728	26,079	14,142	217	191,453
1925	201,165	77.8	16,334	23,785	3,799	2,237	259,107
1926	199,175	85.5	6,207	2,711	10,066	3,139	234,870
1927	127,729	77.9	6,903	27,213	899	1,838	168,230
1928	203,688	77.5	16,572	34,317	1,574	2,606	263,213
1929	168,016	70.2	40,614	28,865	393	1,149	246,853
1930	123,219	66.0	28,215	28,182	1,384	2,618	186,610
1931	107,293	62.7	30,089	26,420	112	5,539	171,140
1932	82,201	56.3	36,767	904	—	22,280	145,918

Prior to 1880, the kerosene market in China was monopolized by the United States. Russian oil did not appear until 1889, while oil from Sumatra and Borneo began to be imported only in 1894 and 1901 respectively. The kerosene imported from other countries, however, was limited in volume. Before the world war imports from the United States always occupied from 50 to 60 per cent of China's total annual import and after 1920 the percentage rose from 60 to 80. It was not until four years ago that a downward trend began to be noticeable in imports of American kerosene on account of Russian competition. In these four years, annual oil imports from Russia increased from 1,100,000 gallons in 1929 to 22,000,000 gallons in 1932. Since relations between China and Soviet Russia were resumed last year, oil imports from Russia will be probably become much larger. The table above is a comparison of kerosene imports from various countries.

TOBACCO

Before 1911 little tobacco was imported from the United States to China, and from that year to 1915, the average annual import from that country amounted to only 40,000 piculs, representing 22 per cent of China's total tobacco import. After 1920, however, the import of American tobacco rose to about 400,000 piculs annually, further increasing to about 600,000 piculs in 1924 and to 1,000,000 piculs in 1928. Although the figure dropped slightly in 1930, it rose again to 1,200,000 piculs in 1931. Since 1928 tobacco imports from the United States have regularly represented more than 93 per cent of China's total import of this commodity, this rapid increase being due to two reasons:—After the World War, tobacco exports from Great Britain diminished considerably, consequently Chinese markets were taken over by the United States, while the development of the cigarette industry in China caused an increased demand for American tobacco leaf in the manufacturing of cigarettes of better grades. Though raw tobacco imports from the United States increased in volume, the import of cigarettes decreased, probably because the cigarette market in China has been controlled to a considerable extent by Great Britain, and the recent rapid development of the Chinese cigarette industry caused the United States to export tobacco instead. The following table shows the imports of tobacco, and cigarettes from the United States in past years:—

RELATIVE POSITION OF PRINCIPAL LINES OF EXPORTS TO U.S.A.*

Year	1st	2nd	3rd	4th.	5th.	6th.	7th.
1912	Raw Silk	Wool	Skins & Furs	Vegetable Oil	Green Tea	Black Tea	Bristles
Value	12.0	5.1	4.4	3.2	2.7	1.1	0.9
1913	Raw Silk	Skins & Furs	Wool	Vegetable Oil	Green Tea	Black Tea	Bristles
Value	14.0	5.7	4.9	3.1	2.6	1.2	1.1
1914	Raw Silk	Skins & Furs	Wool	Green Tea	Vegetable Oil	Black Tea	Bristles
Value	11.8	5.5	5.4	4.0	3.6	1.8	1.3
1915	Raw Silk	Skins & Furs	Wool	Green Tea	Vegetable Oil	Black Tea	Eggs & Egg Prod.
Value	19.6	9.9	8.5	4.5	3.2	2.2	2.0
1916	Raw Silk	Skins & Furs	Wool	Vegetable Oil	Green Tea	Black Tea	Eggs & Egg Prod.
Value	21.3	11.0	7.9	7.6	3.1	2.2	2.0
1917	Raw Silk	Skins & Furs	Vegetable Oil	Wool	Eggs & Egg Prod.	Green Tea	Black Tea
Value	22.9	16.2	19.4	6.6	6.1	4.1	2.4
1918	Vegetable Oil	Raw Silk	Skins & Furs	Wool	Green Tea	Eggs & Egg Prod.	Bristles
Value	30.5	14.6	7.1	4.6	2.6	1.7	1.5
1919	Raw Silk	Vegetable Oil	Skins & Furs	Eggs & Egg Prod.	Wool	Green Tea	Bristles
Value	31.4	15.8	11.2	7.5	7.5	3.3	1.6
1920	Raw Silk	Vegetable Oil	Skins & Furs	Eggs & Egg Prod.	Bristles	Laces	Wool
Value	12.8	10.6	10.4	4.5	2.4	1.7	1.5
1921	Raw Silk	Wool	Skins & Furs	Green Tea	Laces	Eggs & Egg Prod.	Vegetable Oil
Value	28.2	9.7	6.4	4.2	4.1	3.3	3.9
1922	Raw Silk	Wool	Vegetable Oil	Skins & Furs	Laces	Eggs & Egg Prod.	Bristles
Value	25.5	11.9	10.2	9.9	3.8	2.9	2.9
1923	Raw Silk	Vegetable Oil	Skins & Furs	Wool	Eggs & Egg Prod.	Rugs	Bristles
Value	38.5	17.7	12.5	8.8	5.6	5.3	3.6
1924	Vegetable Oil	Raw Silk	Wool	Skins & Furs	Rugs	Eggs & Egg Prod.	Bristles
Value	16.7	15.4	12.9	6.2	5.3	5.0	4.0
1925	Raw Silk	Vegetable Oil	Wool	Skins & Furs	Eggs & Egg Prod.	Rugs	Bristles
Value	47.3	17.0	12.4	9.3	7.0	5.2	4.5
1926	Raw Silk	Vegetable Oil	Skins & Furs	Eggs & Egg Prod.	Wool	Rugs	Bristles
Value	57.5	17.7	9.1	7.4	5.8	5.6	5.4
1927	Raw Silk	Vegetable Oil	Skins & Furs	Wool	Eggs & Egg Prod.	Rugs	Bristles
Value	24.6	17.2	12.7	9.8	5.2	4.8	4.3
1928	Raw Silk	Vegetable Oil	Skins & Furs	Wool	Eggs & Egg Prod.	Bristles	Rugs
Value	26.3	17.7	17.5	12.8	8.8	4.8	4.0
1929	Raw Silk	Skins & Furs	Skins & Furs	Wool	Eggs & Egg Prod.	Bristles	Rugs
Value	36.6	19.1	18.9	8.8	8.7	5.6	3.8
1930	Vegetable Oil	Raw Silk	Skins & Furs	Eggs & Egg Prod.	Wool	Eggs & Egg Prod.	Bristles
Value	31.4	30.0	17.0	6.5	4.3	3.9	3.6
1931	Raw Silk	Skins & Furs	Vegetable Oil	Eggs & Egg Prod.	Wool	Bristles	Eggs & Egg Prod.
Value	22.1	20.1	19.1	7.8	7.2	4.1	3.2
1932	Skins & Furs	Vegetable Oil	Raw Silk	Drawn Works	Bristles	Eggs & Egg Prod.	Raw Cotton
Value	11.2	9.4	8.6	5.4	2.7	2.3	3.1

IMPORTS OF TOBACCO AND CIGARETTES FROM U.S.A.

Year	Tobacco Leaf Quantity (1,000 piculs)	Tobacco Leaf Percentage	Cigarettes Quantity (Mille.)	Cigarettes Percentage
1911-15	40	32.3	282	5.5
1916-20	82	47.2	3,760	46.8
1921-25 (Yearly average)	322	75.6	7,086	79.1
1926	669	86.3	6,618	85.5
1927	517	81.7	3,915	81.9
1928	1,004	93.9	6,785	71.1
1929	878	96.5	4,472	55.0
1930	904	97.7	1,733	27.4
1931	1,206	97.1	59	2.0
1932	590	94.8	82	11.6

MACHINERY

Next to Great Britain, the United States is the principal supplier of machinery to the Chinese market. American machinery for flour mills is particularly popular in China, while American textile machinery is more widely used even than British. Electric and printing machinery from the United States, while excellent in quality, are not very popular in China on account of the high prices.

IRON AND STEEL

Tinned plates have been the principal item of iron and steel products imported to China from the United States, amounting to C.G.U. 5,900,000 in value during 1931. On account of the development of light industries in China, tinned plates are in great demand, and when the rate of exchange between countries, improves, it is certain that much larger quanties will be imported.

PRINCIPAL CHINESE EXPORTS

Originally, tea was the chief Chinese export to the United States, but in 1908 its foremost position was captured by raw silk, which kept its place as the principal export to American markets until recent years. Vegetable oil, wool, skins and furs, eggs and egg products are also exported in considerable quantity. Since 1920 laces, drawn work, and rugs have become important articles of export, though in recent years a downward trend has been noticeable in these lines with the exception of drawn work which amounted to over Hk. Tls. 5,000,000 in value during 1932. The table about shows the position and value (in 1,000,000 Hk. Tls.) of the principal Chinese exports to the United States:—

Skins and furs, tung oil, raw silk, drawn works, raw cotton, bristles, eggs and egg products, rugs, lace and tea have been China's principal exports to America of recent years, but in 1932, all these lines, with the exception of drawn work and raw cotton, decreased greatly in volume. The United States is almost the sole purchaser of wool and perilla oil from China, as over 90 per cent of total exported from China went to that country in 1931. The quantity of rugs, lace, tung oil, and straw hats exported to the United States exceeded 50 per cent of China's total exports of those articles. Sesamum seeds, hair nets, tung oil, eggs and egg products, and human hair represented over 90 per cent of the total imports of these articles into the United States, while the percentage of Chinese antimony, groundnuts, groundnut oil, and bristles was also very high. The table below shows the value of the principal Sino-American imports and exports during the past two years and their respective percentage of their total foreign trade:—

VALUE OF SINO-AMERICAN IMPORTS & EXPORTS AND PERCENTAGE OF TOTAL

Commodities	1931 Value (Hk. Tls.)	1931 Percentage of China's Total Exp.	1931 Percentage of U.S.A.'s Total Imp.	1932 Value (Hk. Tls.)	1932 Percentage of China's Total Exp.	1932 Percentage of U.S.A.'s Total Imp.
Raw Silk	22,063,100	23.0	9.7	8,697,529	24.0	—
Cocoons	1,967,378	15.0	—	207,101	33.1	—
Rugs	3,222,476	70.1	18.7	1,836,191	57.8	—
Laces	2,484,839	70.1	84.8	1,512,239	68.6	—
Drawnwork	2,059,169	42.3	—	5,420,920	64.7	—
Wool	7,218,419	95.0	27.9	1,120,055	92.6	—
Bristles	4,171,880	42.7	41.7	2,762,919	39.0	—
Intestines	1,052,795	26.7	—	647,908	24.7	—
Hides	20,147,386	55.9	11.1	2,282,503	62.2	—
Walnuts	1,789,251	56.5	—	955,665	64.0	—
Tung oil	13,375,152	65.5	95.6	9,449,334	63.5	—
Sesamun	7,867,640	54.6	99.3	656,078	16.0	—
Black Tea	792,876	86.7		625,552	79.2	—
Green tea	2,487,603	13.4	51.0	1,300,278	96.4	—
Cotton	2,332,113	86.4	32.9	3,124,690	70.5	—
Tungsten	569,645	24.3	89.4	315,613	11.4	—
Kinsze Strawbraid	1,169,187	64.3	16.1	712,284	40.6	—
Groundnuts	1,738,880	62.1	77.9	357,724	18.3	—
Groundnut oil	4,397,029	34.5	73.9	627	—	—
Perilla oil	857,490	99.4	—	—	—	—
Cotton piece goods, Fine Grasscloth & Embroideries	2,233,137	59.4	—	—	—	—
Enamel ware	1,178,690	54.2	—	—	—	—
Hair nets	554,105	55.6	—	—	—	—
Human hair	541,547	52.2	91.1	—	—	—
Eggs & Egg products	3,273,662	86.3	93.4	2,343,550	82.4	—

RAW SILK

The United States has for long been the largest consumer of the world's silk production, using this product for making underwear, stockings, neckties, and scores of industrial purposes. The main supply of raw silk for the American market used to come from China, averaging annually during the second half of last century over 50 per cent of the total imports.

The twentieth century opened with China's silk trade with the United States starting to decline. During the three years prior to the World War the average annual import of Chinese silk into the United States was only G.$12,000,000, representing 22 per cent of the total American import of raw silk. During the same years, the United States imported annually from Japan G.$51,000,000 worth of raw silk, representing 65 per cent of the total import. In 1931 the total value of Chinese silk entering the United States was only G.$9,800,000 about 11.7 per cent, while Japanese silk imported increased to G.$69,000,000, or 82 per cent of the total American import, clearly showing that Japanese competition for the American market for raw silk had been successful agninst the Chinese product.

(To be continued)

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Generals Ma and Su Receive Enthusiastic Welcome in Nanking

Generals Ma Chan-shan and Su Ping-wen received an enthusiastic ovation on their arrival in Nanking June 6. They were entertained at dinner by President Wang Ching-wei. The next day they visited the Sun Yat-sen Mausoleum and laid a wreath on the tomb of the late Leader. Subsequently they called on President Lin Sen and other Government leaders. The two Manchurian leaders later proceeded to Nanchang to report to General Chiang Kai-shek, President of the Military Affairs Commission.

Generals Ma Chan-shan and Su Ping-wen were among those who attended the conference at Nanchang in response to a summons from General Chiang Kai-shek. They are expected to remain at Kuling for some time before going to North China. The reception arranged for them by Shanghai public bodies has been postponed indefinitely.

CUSTOMS NOTIFICATION NO. 1305

In accordance with Government instructions, the public is hereby notified that the restriction of movements of copper coins has been modified to the extent that henceforth each passenger will be allowed to carry copper coins up to a maximum of 10,000 1-cent pieces. Any copper coins carried in excess of this limit will be confiscated by the Customs.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 8th June, 1933.

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The National City Bank of New York, Rates of Exchange

Shanghai, June 14, 1933.

Demand selling rate on America:	U.S. $100=Sh. $383.70
Demand buying rate on America:	U.S. $100=Sh. $377.26
Demand selling rate on London:	£1.0.0=Sh. $15.67
Demand buying rate on London:	£1.0.0=Sh. $15.48

Latest New York Stock Exchange Quotations

Market—Easy — Business Done 6,300,000 Shares

June 14, 1933

1932-3 High	1932-3 Low	Div.$ per Sh.	STOCKS	Mon. Jun. 12	Tue. Jun. 13
9⅞	1⅝	—	Adams Express	9¾	10½
121½	42½	*6.00	Allied Chemical & Dye	121¼	118¼
20⅛	4	—	Allis Chalmers	20	20⅝
95½	29⅝	4.00	American Can	95½	92
19⅝	2	—	American & Foreign Power	19⅝	18
40½	5	—	American & Foreign Power 7% Pfd.	41½	40
18	1⅛	—	American & Foreign Power Warr.	18	12½
20⅞	1¼	—	American Metal Co.	20	19⅝
37⅞	5½	—	American Smelting	36⅞	35
137¾	70¼	9.00	American Telephone & Telegraph	131½	127¼
98	44	5.00	American Tobacco "B"	92¼	90¾
40½	11	1.00	American Waterworks	40½	37¼
19⅝	3	—	Anaconda Copper	18	17½
18½	4¼	—	Atlas Corporation	18½	17¾
151⅝	28¾	2.00	Auburn Automobiles	70½	69¾
22½	3¾	—	Baltimore & Ohio	22½	21⅜
31½	7¼	—	Bethlehem Steel	31½	30⅝
43⅜	18	1.60	Borden Company	35¼	35⅞
19⅜	3⅜	—	Borg Warner	19⅜	18½
20⅝	7¼	—	Canadian Pacific Railway	17⅛	16⅝
88⅝	16¾	—	Case, J. I.	88⅝	84⅝
47⅞	19	2.00	Chase National Bank	36¼	38¾
39	4⅞	2.00	Chesapeake Corp.	38½	38¼
25⅝	5	—	Chrysler	25⅝	24¾
26⅞	4¼	.80	Columbia Gas & Electric	26⅞	24
6⅛	1⅜	—	Commonwealth & Southern	5⅛	7⅝
68¾	81½	3.40	Consolidated Gas of N. Y.	63½	61½
14⅞	3⅝	—	Continental Oil	14⅞	13
76½	24¾	8.00	Corn Products	77½	75⅛
7⅞	1½	—	Coty Inc.	6⅞	6¾
3¾	⅞	—	Curtiss Wright Company	3¾	3¾
18⅝	5	.75	Douglas Aircraft	17⅜	17¼
58	28	3.00	Drug Incorporated	57½	56⅝
88¼	22	2.00	Du Pont de Nemours	81¾	78¼
87⅞	35¼	3.00	Eastman Kodak	84½	82½
48	5	6%S	Electric Bond & Share	41⅜	36¾
16	2¾	—	Electric Power & Light	14⅞	14
5⅞	⅞	—	Fox Film "A"	4⅛	4¼
26⅛	8½	.40	General Electric	24¾	24
40½	19⅝	1.60	General Foods	38⅛	37
28	7⅝	1.00	General Motors	28	27½
37	6½	1.00	General Railway Signal	37	36⅛
23⅝	8¼	1.20	Gold Dust	23⅝	24
37¾	5½	—	Goodyear Tire & Rubber	37¾	36¼
29	3⅝	—	International Cement	28⅝	28¾
1⅞	⅛	—	International Com. Engine	Unq.	Unq.
41¼	10⅝	.60	International Harvester	41⅛	39⅜
18⅝	3¼	—	International Nickel	18⅝	17¼
19⅞	2⅝	—	International Telephone & Telegraph	19⅞	18¼
42	10	—	Johns Manville	42	43½
21¾	4⅞	—	Kennecott	21	20½
70⅞	30½	2.40	Lehman Corporation	70⅞	69
94¾	34½	*4.00	Liggett & Myers, "B"	93⅝	92¾
37¾	9	1.00	Loew's: Inc.	22	22⅝
23⅝	9	1.20	Lorillard P. Co. (Com.)	23	22½
25	3½	—	Montgomery Ward	25	24
64½	19¾	1.00	National City Bank (bid price)	40¾	37
36⅝	8¾	—	New York Central	36¼	35¾
48¼	13¾	8%S	North American Company	35⅞	35⅝
87	16⅞	2.00	Pacific Gas & Electric	30½	29⅛
6⅝	1½	—	Packard Motors	6⅜	6
28½	6½	.50	Pennsylvania Railroad	28½	28½
4⅜	1	—	Pennroad Corporation	3⅝	3⅝
14⅞	2	—	Phillips Petroleum	14⅞	14
60	28	3.20	Public Service of N. Jersey	56¾	54
18½	2½	—	Radio Corporation	10½	10½
7¾	1	—	Radio-Keith Orpheum	4⅞	5
46	26½	3.00	Reynolds Tobacco "B"	46	45¼
37⅜	9⅞	—	Sears Roebuck	35¼	33⅝
8¾	2½	—	Shell Union	8	7⅝
18½	2⅜	—	Simmons Company	18½	18
12¼	5¼	—	Socony-Vacuum Corp.	12½	11⅞
32¾	15¾	2.00	Southern California Edison	26⅜	26⅜
34¼	5¼	—	Standard Gas & Electric	20¾	20½
38⅛	19⅞	1.00	Standard Oil Co., of N. Jersey	38⅛	36¾
28⅜	9¼	1.00	Texas Corporation	23⅞	22⅞
30	12	1.00	Texas Gulf Sulphur	29¾	29
8	2⅛	—	Trans America	8	8⅛
41¾	15½	1.00	Union Carbide & Carbon	41¼	40½
12½	27⅝	6.00	Union Pacific	110¾	112
135½	61¼	—	United Aircraft & Trans.	35½	34⅞
14¼	3½	.40	United Corporation	14¼	13¼
24	9¼	1.20	United Gas Improvement	24	23½
15½	1¼	—	U. S. Rubber	15½	15
58⅜	21¼	—	U. S. Steel	58⅜	56⅝
45	11	2.00	Universal Leaf Tobacco	43	44¼
27¾	5¼	—	Vanadium	27¾	25½
6¼	½	—	Warner Bros. Pictures	5¼	5½
48¼	15⅝	—	Westinghouse E. & M.	48¼	47¼
45⅝	22	2.40	Woolworth	44¾	43¾

*Plus Extras — Call Money 1% 1%

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